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Substantive session of 1996

PROVISIONAL SUMMARY RECORD OF THE 14th MEETING

Held at Headquarters, New York,
on Thursday, 27 June 1996, at 10 a.m.

President: Mr. GERVAIS (Côte d'Ivoire)

CONTENTS

INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES (continued)

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96-80851 (E)

The meeting was called to order at 10.20 a.m.

INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES (continued) (E/1996/18 and Add.1, E/1996/57, E/1996/60)

Mr. CEVERS (Observer for Latvia) said that while his Government recognized its own responsibilities in the matter, because of Latvia's importance as a transit State, the international community had a significant role to play in the suppression of the illicit transport and distribution of narcotics and psychotropic substances. Latvia welcomed the significant moral and practical assistance which it received from the UNDCP office in Riga.

Latvia was party to the 1961, 1971 and 1988 Conventions and its parliament had recently enacted legislation to permit the orderly and controlled legal distribution of narcotics and psychotropic substances and precursors within the context of the democratic, free market society that was developing in that country. Draft legislation aimed at preventing the legalization of criminally acquired financial resources was also in the final stages of completion. Unfortunately, lack of experience in the field of banking legislation and the excessively liberal conditions that had been permitted in the banking sector during the early years of the re-establishment of the State had caused certain problems whose solution required external technical assistance. It was no secret that the economic recovery was fuelled by dirty money. He assured the Council, however, that his Government would do all within its power to prevent money-laundering from taking place in Latvia.

At the institutional level, a national coordinating commission had been established in 1993 to prepare and implement a national programme to combat drug addiction. In recognition of the need to educate civil society, and especially young people, about the dangers of narcotics and psychotropic substances, including so-called "light narcotics", the Minister of Education had been made a member of the commission.

In the medical and social fields, attention was being focused on the rehabilitation of drug addicts through socially correct medical treatment and their reintegration into society. A scientifically sound rehabilitation

programme was being planned to replace the forced treatment programmes which had existed previously.

A special police department coordinated narcotics investigations with assistance from other States. A committee had also been set up within the Ministry of Social Welfare to control the legal distribution of narcotics and to supervise pharmacies and medical institutions. The Government was preparing to establish complete control over the manufacture and trade of precursors, through computerization and data analysis.

Certain problems related to the control of narcotics and precursors, however, could only be addressed through increased international cooperation. The effective pursuit of drug traffickers was possible only if officials received specialized training and had access to sophisticated information systems and surveillance apparatus. As an economically fragile State, Latvia needed the assistance of the international community in the fight against drugs. Indeed, it welcomed such cooperation in the field of economic and social development as a whole and, to that end, had announced its candidacy for a seat on the Economic and Social Council in 1997.

Mr. Soo Gil PARK (Observer for the Republic of Korea) said that, despite some encouraging developments at the local and subregional levels, the global trend towards increasing drug abuse continued unabated. Trade liberalization and the growing interdependence of the global economy had facilitated the flow of illicit drugs and the laundering of the ill-gotten gains. Producer, transit and consumer countries were equally affected and a substantial amount of synthetic narcotics was now being manufactured in consumer countries.

While drug abuse had only just become a serious problem in the Republic of Korea, his Government had implemented strict control policies to combat trafficking in illicit drugs, an activity which threatened the very fabric of society. The impact of drug abuse on health and welfare transcended even the spread of HIV/AIDS. Preventive education to stem the spread of that pernicious practice was therefore of crucial importance.

Given the increasingly complex nature of the drug problem, a collective response was needed to effectively control the flow of illegal drugs and implement a viable programme to reduce demand. Consumption was the primary stimulus for illicit drug production and trafficking and any strategies for

reducing demand and controlling supplies should be mutually reinforcing. His Government was actively encouraging the civil society to lead the campaign against drug abuse and to promote public awareness of its devastating effects.

For its part, the United Nations had a pivotal role to play in strengthening inter-agency cooperation. In particular, his Government welcomed the initiative of the Administrative Committee on Coordination (ACC) in developing a more operational United Nations System-Wide Action Plan on Drug Abuse Control and the substantive work being carried out by UNDCP in the areas of supply control and demand reduction, regional and cross-border cooperation and national drug control plans. The Republic of Korea therefore supported initiatives to strengthen the financial basis of UNDCP. It also welcomed the proposal of the Commission on Narcotic Drugs that a special session of the General Assembly be convened in 1998 to discuss ways of dealing with the world-wide drug epidemic.

Finally, his Government attached great importance to regional and subregional cooperation to combat the disturbing rise in the use of synthetic narcotics in north-east Asia and stood ready to actively participate in any regional arrangement designed to achieve that objective.

Mr. LAGOS PIZZATI (Observer for El Salvador), speaking on behalf of Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador, said that the international community should demonstrate a firm political commitment to combating production, sale and trafficking of drugs, particularly in vulnerable States whose institutions were under threat. While States should have primary responsibility for drug control, multinational cooperation was indispensable. The United Nations should coordinate strategies in the fight against drugs, and should be given the means with which to do so. He supported the proposal for the convening of a special session of the General Assembly in 1998.

A number of regional initiatives had been undertaken aimed at preventing Central American countries from becoming bases for drug traffickers, including the conclusion of regional cooperation accords, the enactment of appropriate legislation and the establishment of drug monitoring and security systems.

For the future, Central America believed that more international resources should be allocated to the fight against drugs in the region, in order to reduce demand and safeguard the future of the young at a particularly sensitive time in the area's history.

Mr. KAUSIKAN (Observer for Singapore) said that, given its location near to the poppy fields of the so-called "golden triangle", Singapore had not been spared the attentions of international drug traffickers. The drug situation in that country, however, was under control and had remained stable over the previous two decades. There were no areas in Singapore where drugs were openly bought and sold. Drug addicts did not abuse drugs openly and death from drug overdose was virtually unheard of. The fight against drugs, however, was a never-ending battle and his country's relative success was due to the vigorous enforcement of tough laws against drug trafficking syndicates and to a two-pronged strategy aimed at reducing both demand and supply.

In order to reduce demand, the Central Narcotics Bureau was empowered to forcibly commit drug addicts to drug rehabilitation centres for treatment and rehabilitation, and it regularly conducted country-wide operations to round up suspected drug addicts. Upon release from the rehabilitation centres, addicts were subjected to a two-year compulsory supervision programme under which they were required to report to police stations for regular testing in order to ensure that they remained drug free. Drug addiction was viewed in Singapore not as a medical but as a behavioural problem. An addict was ultimately responsible for the consequences of his own actions.

An extensive education programme was also in place to educate the public, especially impressionable teenagers, about the dangers posed by drug abuse. In order to discourage experimentation with drugs, students were taken on tours of drug rehabilitation centres to see for themselves the tough regime that awaited addicts.

Given the international dimensions of the drug menace, the Singaporean authorities worked in close cooperation with regional and international enforcement agencies, including the Drug Enforcement Administration of the United States of America, the Royal Canadian Mounted Police, the Australian Federal Police and drug enforcement agencies in neighbouring countries.

As a small country, Singapore had no room for social experimentation and no tolerance for drug abuse. The battle against drugs required firm political will and commitment at both the national and international levels.

Mr. FRAIH (Jordan) said that despite the best efforts of the international community, global demand for narcotic drugs and illicit substances had grown, to the detriment of social and economic stability. It was therefore

imperative that the international community should cooperate more effectively to address the reasons for increased demand and ways of achieving demand reduction.

At the international level, concerted action to develop effective drug control measures was the cornerstone of a global anti-drugs strategy. At the regional level, UNDCP support for meetings between neighbouring States had proved an invaluable way of achieving progress on the fight against drugs and drug trafficking.

International cooperation should not be restricted to the exchange of information, however, but should also provide assistance to countries less able to finance the measures needed to rid themselves of the drug scourge. In that regard, the United Nations, the only body capable of sustaining international cooperation against drugs, faced an onerous task. UNDCP and other related bodies deserved the full support and commitment of all States, particularly those most directly affected by the drug problem.

As for Jordan, it would continue to support all efforts towards greater international cooperation in the hope that future generations would be spared the pernicious effects of drug abuse, production and trafficking.

Ms. MARTINEZ (Observer for Ecuador) said that her delegation wished to re-emphasize the importance of taking stock and reformulating the international cooperation mechanisms which should be put in place or further refined in order to combat drugs. A special session of the General Assembly dedicated to the fight against the illegal production, sale, demand, traffic and distribution of narcotics and psychotropic substances and other related activities would be the most appropriate way of promoting such cooperation.

The proposed special session of the General Assembly ought to proceed from the principle that responsibility for dealing with the drug problem should be shared by producer and consumer countries, bearing in mind existing arrangements that had already been agreed at regional level. A balance should be struck between all the elements which made up the problem, including crime, money-laundering and illegal arms trafficking. The special session should also fully acknowledge the global nature of the problem, thus eliciting a useful exchange of views and experience. The Ecuadorian Government also endorsed the idea of convening a world conference on narcotic drugs and the elaboration of an Inter-American convention on money-laundering.

Mr. MAPURANGA (Zimbabwe) said that the problem of drug abuse and illicit trafficking transcended national borders, and there was a need for global vigilance and cooperation on all fronts, particularly through initiatives such as the Global Programme of Action adopted by the General Assembly in 1990.

His delegation was concerned at the general decline in the level of resources at the disposal of the International Narcotics Control Board (INCB) and UNDCP. The 27 per cent drop in resources since 1993 reflected a marginalization of a very important United Nations agency. Zimbabwe urged all countries, and especially developed countries, to contribute more to the UNDCP general-purpose fund to ensure the Programme's viability. The linkage of voluntary contributions to specific technical cooperation activities had led to the concentration of efforts in specific geographical regions, whereas the only effective way of dealing with the drug menace was from a global perspective. International efforts had thus far tended to focus on programmes in producer and consumer countries to the virtual exclusion of transit countries such as Zimbabwe. There were alarming indications that transit countries were slowly becoming consumers of illicit drugs as a result of such neglect and prolonged exposure to drugs. The United Nations, as the most effective framework for the international community to tackle the drug problem, should play a vital role in efforts to combat drug abuse and illicit trafficking.

His delegation wished to draw attention to the obvious link between poverty and the problems of drug abuse. As long as the international community failed to mount sustainable efforts at economic and social development in general, and poverty eradication and unemployment in particular, drug abuse and illicit trafficking would continue to cause problems.

At the national level Zimbabwe had taken various steps to prevent its territory from being used as a transit route for illegal trafficking. At the regional level, it was cooperating with its neighbours to control drugs.

Mr. KIWANUKA (Uganda) said that the worldwide drug problem was a cause for grave concern and underscored the need for all States to develop national drug control strategies which would integrate and coordinate the fight against illicit drugs. Such strategies should include appropriate legislation, education programmes and drug law-enforcement initiatives.

The problem should be tackled from the standpoint of reducing both supply and demand. In many countries, poverty and unemployment were major causes of

the drug problem. Poverty eradication was therefore one of the most effective ways of confronting the issue. To curtail demand, it was imperative that proper drug rehabilitation programmes for addicts should be given priority. On the supply side, there should be greater international cooperation to monitor and prevent the movement of drugs. In addition to rehabilitation, the Ugandan Government had initiated a programme of awareness, education and community development activities to warn young people of the dangers of addiction while pointing out the attraction of a healthy, drug-free lifestyle. His Government was seriously concerned about the effects of drug abuse on children, and particularly the most vulnerable categories such as street children.

Uganda had also promulgated laws and implemented programmes designed to neutralize drug trafficking networks and control imports. It was also rigidly enforcing customs controls and coordinating policy with foreign drug enforcement agencies to identify, monitor and neutralize trafficking syndicates.

His delegation particularly welcomed useful and productive exchanges of views and expertise, for example technical cooperation in drug abuse control at the operational level. The Ugandan Government also wished to reaffirm its commitment to UNDCP, and welcomed the idea of holding a special session of the General Assembly in 1998 to deal with the problem of drug abuse and drug trafficking. He hoped that the special session would manifest greater awareness of the so-called "new and emerging" drug regions such as Africa.

Mr. de FIGUEIREDO (Observer for Angola) said that, despite the efforts being carried out at the national, regional and international levels, the illicit production, sale and distribution of narcotics was increasing. International drug traffickers were taking advantage of the fact that Angola was recovering from 20 years of war. Since its borders were vulnerable and it lacked adequate financial and human resources, the country was increasingly being turned into a transit zone for illegal drug traffic. It was in drug traffickers' interest to create instability in Angola, and other countries in the Southern African region were facing the same threat. His Government had appealed to UNDCP for assistance in establishing an adequate institutional structure and juridical framework, and also for assistance in planning and implementing prevention programmes. However, since UNDCP lacked resources its capacity to intervene remained limited. It was essential that UNDCP should be provided with adequate financial and human resources.

Angola wholeheartedly advocated regional cooperation and was participating in an action programme initiated by the Organization of African Unity to combat drug abuse; however, his Government was acutely conscious of the meagre resources at its disposal.

Mr. ELTINAY (Sudan), said that disease, poverty and drugs threatened to destroy the social, spiritual and moral fabric of communities for generations to come. The Sudan, one of the few countries in which the drug problem was not yet critical, attached great importance to education of the young as a way of countering increased drug demand. As drugs threatened the future of the developed world and the chance for progress in the developing world, international cooperation had become the most appropriate response.

For its part, the Sudan had adopted a number of national laws seeking to control and eradicate drug trafficking and production. The death penalty had been introduced for those found guilty of drug dealing, while severe sentences were imposed for drug-related offences. The Sudan spoke to the young through educational and sports programmes as well as public information campaigns, while cooperating fully in international and regional agreements aimed at combating the drugs trade.

Given the existence of an inextricable link between drug problems and development, donor States should ask themselves whether there was sufficient political will to help developing countries combat drugs, for the tendency to offer assistance strictly on the basis of political interest could ultimately prove to be self-defeating, pushing needy countries into seeking alternative and illicit sources of income.

In the meantime, the Sudan supported the proposal concerning a special session of the General Assembly on drugs in 1998, and hoped that the trend towards reducing funding for the UNDCP would be reversed.

Mr. POERNOMO (Indonesia) said that the United Nations remained the most effective and appropriate organization for the promotion and coordination of international drug control strategies. To that end, his delegation supported the proposal of holding a special session of the General Assembly on the drugs issue in 1998.

His delegation believed that the drug problem should be viewed as a threat to development programmes and activities. While UNDCP efforts to promote

international strategies for drug control were laudable, it must be given adequate resources if it was to function properly and effectively.

For its part, Indonesia remained committed to cooperating with its international partners on ways of developing a comprehensive anti-drugs strategy for the benefit of the global community.

Mr. MENCZEL (Observer for Hungary), said that Hungary's national drug prevention strategy sought to provide education, treatment and rehabilitation as well as training for health professionals and other personnel involved with drug-related issues. As part of its commitment to combating drug production and trafficking at the regional level, Hungary had participated in meetings of Central European States in order to elaborate a drug control cooperation plan.

With the crisis in the Balkans, drug traffickers had begun to use Hungary as a country of transit, and currently one tenth of all European drug seizures were made by Hungarian authorities. As evidence of its determination to reverse that situation and to support the international struggle against drugs, Hungary endorsed the proposal for a special session of the General Assembly in 1998 devoted to drugs, and pledged its full cooperation in all international efforts to combat the problem of drugs.

Mr. YELTENENKO (Observer for Ukraine) said that despite all the measures that had been implemented at national and international level, the scale of the drug problem was increasing. Collective efforts were necessary to overcome the threat. Of particular concern to his delegation was the linkage between illicit drug trafficking and international crime. Crime syndicates were inflicting incalculable damage on the economic fabric of a number of States.

Ukraine was being used as a transit point in the westward flow of narcotic substances. Traffickers were taking advantage of its under-funded law-enforcement authorities. The problems faced by Ukraine and other transition economies required the special attention of United Nations specialized agencies. His Government had particularly high regard for the work being done by UNDCP and fully shared its aim of reducing drug supply and demand while combating illicit trafficking. Accession by States to international conventions on narcotics was also important, and his delegation had been disappointed to note that certain drug producer and exporter countries had yet to accede to those instruments. Despite the growing number of signatories to anti-drugs conventions, only a

handful of States had actually put into effect control mechanisms regarding precursor drugs.

At the national level, his Government had taken a number of legislative and institutional steps designed to deal with illegal drug trafficking. Ukraine also welcomed the work being done by the Commission on Narcotic Drugs as part of the Global Programme of Action adopted by the General Assembly in 1990. But it was important to stress that action against drugs would only be truly effective when all States presented a united front.

Mr. ILLUECA (Observer for Panama) said that, as a country at the crossroads of the world's great maritime routes, Panama firmly supported the Global Programme of Action as the launching pad for national, regional and international efforts to combat the production and illicit trafficking of narcotics and psychotropic substances. In keeping with the principles of shared responsibility and international cooperation, his Government had proposed the creation in the former Panama Canal Zone of a multilateral centre to combat drug trafficking and related crimes. Panama would make available to the centre existing buildings and infrastructure and participating States would contribute the required human resources and mobile equipment.

The Government of Panama had enacted various pieces of legislation to combat drug-related crimes and money-laundering, including agreements with other countries in the region. It welcomed the decision of the Commission on Narcotic Drugs to follow up on the Mexican initiative by recommending that a special session of the General Assembly should be held in 1998 to examine ways of strengthening international cooperation and ensuring more effective implementation of existing international instruments in the field of narcotics control.

In that connection, however, greater efforts should be made to ensure that more realistic budgetary resources were available to UNDCP, regional organizations and national authorities for the fight against drug abuse, particularly since the global narcotics industry generated profits of some US$ 500 billion. He therefore supported the call made by the Executive-Director of UNDCP for the appropriation of resources to the Programme commensurate with its mandate. The colossal resources available to the transnational criminal organizations and the globalization of the problem made it imperative to undertake an extensive, generously funded programme to control the production,

demand, consumption and illicit trafficking of narcotic drugs and psychotropic substances. Efforts could no longer focus only on control but must include action in the areas of the family, health, education, the workplace, criminalization and the judicial system. Finally, given the global scale of the problem and the blurring of the distinction between producer and consumer countries, only the United Nations was capable of leading the global fight against a scourge which threatened the biological and moral destiny of all mankind.

Mr. NAKKAWITA (Observer for Sri Lanka) said that the drug problem compounded the other problems of developing countries by obliging them to commit a significant part of their resources to that area, when they were needed to grapple with other development issues. Fighting drug abuse required human resources, but it was precisely those resources that were placed at greatest risk by the spread of drugs. The world must focus on the link between terrorism and illicit drug trafficking, as many developing countries found their survival challenged by terrorist groups which trafficked in illicit drugs and used the proceeds to buy weapons, which were used to destabilize legally constituted Governments.

Sri Lanka had ratified all the international drug control conventions and was in the process of formulating domestic legislation to put them into effect. Particular emphasis was being laid on money-laundering, forfeiture of assets derived from drug trafficking and treatment and rehabilitation of drug abusers. The strategies contained in the Comprehensive Multidisciplinary Outline of Future Activities in Drug Abuse Control had been incorporated into its national policy. Sri Lanka believed in the central role of the United Nations in drug control and pledged to support fully all initiatives in that area.

Mr. DANESH-YAZDI (Observer for the Islamic Republic of Iran) said that his Government firmly believed that the United Nations provided the most effective framework within which to address the drug problem. Thus, the unilateral initiatives of any country which duplicated the work of United Nations bodies and attempted to judge the cooperation of other Member States was harmful and would undermine the multilateral approach and weaken international cooperation.

To ensure that its national efforts had maximum impact, Iran was cooperating in drug control activities of the Economic Cooperation Organization.

Its Member States were located in a crucial segment of traditional drug trafficking routes, and they attached particular importance to developing effective narcotics control programmes. His delegation underlined the need for UNDCP to support the Economic Cooperation Organization in its initiatives and in implementing its plan of action, which in turn would promote implementation of the System-wide Action Plan. Another important area of regional activity was the project document on strengthening the law enforcement capacities in the border area between Iran and Pakistan. His Government welcomed the UNDCP initiative for the joint programme, which was crucial in countering trans-border trafficking. The project had been successful in achieving its goal of exchanging operational intelligence, joint patrols and increased surveillance along the border. Over the past two years, Iran had entered into several fruitful arrangements, not only with its immediate neighbours like Pakistan, Afghanistan and Turkey, but also with India, Bangladesh and Kyrgyzstan.

His delegation believed that UNDCP should be prepared to assist countries requiring information and expertise in formulating national strategies. Interdiction should not be regarded as the sole strategy for the control of supply; eradication of illicit drug production and crop substitution were also of vital importance. It also opposed any trends towards legalization of non-medical uses of drugs.

Mr. Win MRA (Observer for Myanmar) said that Myanmar was completely committed to the total elimination of the drug menace and had established a two-pronged national strategy for drug abuse control, which consisted of drug eradication and prevention activities combined with the gradual elimination of poppy cultivation by raising the standard of living of indigenous groups living in remote areas where poppy was grown. To that end, the Government had implemented extensive development projects in remote border areas.

The priorities of the Central Committee for Drug Abuse Control, the main body for implementing the drug policy of Myanmar, included supply reduction, demand reduction and law enforcement. It had also entered into cooperative efforts with its neighbours. A major offensive in late 1995 by the defence forces in the border areas near Thailand had led to the confiscation of a vast arsenal of weapons and the total eradication of opium cultivation in the Loilang and Homain regions. While it would welcome any opportunity for international

cooperation, Myanmar was determined to use whatever resources it had at its disposal in its efforts to eradicate the drug menace.

Mr. OTUYELU (Observer for Nigeria) said that Nigeria had demonstrated its commitment to international anti-drugs cooperation by signing all the United Nations conventions on narcotic drugs. Tough anti-drug legislation was in force in the country and a powerful national agency had been set up to tackle the problem. In addition, his Government fully supported the relevant Global Programme of Action adopted by the General Assembly in 1990, and pursuant to that Programme a national drug control strategy had been established. Nigeria had taken a number of specific steps to tackle the problem of money-laundering, and had been very active in drug law-enforcement operations at the regional level.

The problems of drug abuse and illicit trafficking required a non-partisan and transparent approach that dispensed with name-calling and self-righteousness. Such recriminations could only weaken international solidarity and play into the hands of illicit traffickers and their backers.

The capacity of UNDCP should be enhanced and greater emphasis should be placed on system-wide coordination of United Nations activities with a view to combating the drugs menace. Governments needed to cooperate more with private enterprises and individuals to prevent the illicit production, trade, traffic and distribution of drugs, and the role of the media, religious groups and non-governmental organizations should be enhanced in drug control activities.

The PRESIDENT invited the Council to begin an informal dialogue on the threat posed to the world economy by international drug trafficking and the strengthening of the United Nations role in drug control.

Mr. GONZALEZ GALVEZ (Observer for Mexico) noted the lack of precise and reliable information on the impact of drug trafficking on the world economy. According to some estimates, drug revenues were even greater than those of the oil industry, yet such assertions were difficult to prove. A link was frequently drawn between illicit trafficking and free trade agreements, which should be discussed in greater detail. It was important to determine whether trade liberalization actually did facilitate illegal trafficking; that did not appear to be the case in all regions of the world. It might be useful for the Council to propose a resolution that all future free trade agreements should contain provisions against money-laundering.

As to the assertion that drug revenues could sometimes benefit a country's economy, some 90 per cent of such revenues were derived from distribution rather than production, and as such, benefited no one but the traffickers.

The fragmented approach to money-laundering had not been highly effective, and it might be time to elaborate an international convention in that area. Financing was among the most important ways in which the work of the United Nations could be strengthened, and accordingly, Mexico had decided to increase its contribution to United Nations drug control activities. Strengthened resources should be combined with a review of existing mechanisms, however.

Mr. MEDELLIN (Colombia) said that his country, which had suffered the effects of narcotics production and trafficking for many years, had long been calling for an integrated approach to the problem. Thus, the current dialogue among equals and the unanimous view that supply and demand were integral parts of the same problem were greatly welcomed.

Ironically, demand was seen as an internal problem, whereas supply had thus far been viewed as an international matter. In fact, demand should also be seen as an international public health issue. His Government agreed on the need for an international convention against money-laundering.

There was a tremendous need for fresh and comprehensive information and statistics on the scope of the problem. His Government had found international assistance in that area very useful in drawing up legislative reforms imposing the most severe penalties yet for narcotics trafficking offences; they were soon to be introduced in the Congress of Colombia.

The meeting rose at 1.10 p.m.

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E/1996/SR.15
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Substantive session of 1996

PROVISIONAL SUMMARY RECORD OF THE 15th MEETING

Held at Headquarters, New York,
on Thursday, 27 June 1996, at 3 p.m.

President: Mr. GERVAIS (Côte d'Ivoire)

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INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES (continued)

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96-80854 (E)

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INTERNATIONAL COOPERATION AGAINST THE ILLICIT PRODUCTION, SALE, DEMAND, TRAFFIC AND DISTRIBUTION OF NARCOTICS AND PSYCHOTROPIC SUBSTANCES AND RELATED ACTIVITIES (continued) (E/1996/18, E/1996/57)

Ms. WALLSTRÖM (Sweden) said that there were three essential elements in the international struggle against drugs: creating a culture of drug rejection, reacting early to warning signs like petty crime, and mobilizing the entire United Nations system in the anti-drug cause.

She called upon Member States to take on greater political and financial responsibility in the fight against drugs, and expressed the hope that significant progress in that fight would have been made before the convening in 1998 of the proposed special session of the General Assembly devoted to drug issues.

Mr. INOMATA (Japan) said that comprehensive legal instruments to control money-laundering were still in the formative stage. The Commission on Narcotic Drugs (CND) in a recently adopted resolution urged the United Nations International Drug Control Programme (UNDCP) to continue to work with the Financial Action Task Force (FATF) and other institutions to strengthen international efforts against money-laundering and review progress made by Member States in implementing the provisions of the 1988 Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. In the view of the Japanese Government, action along those lines was more important than elaborating new instruments.

He disputed the suggestion that demand for drugs was a purely internal matter of individual Member States. The 1988 Convention had already set minimum standards for demand reduction; moreover, the provisions of all three anti-drug Conventions allowed no leeway for individual countries to use resource constraints as justification for dealing with some drugs and not with others. The Japanese Government insisted on the importance of burden-sharing among those States fighting drug abuse, because any demand-reduction policy adopted in one country could eventually affect other countries. In view of the multilateral

character of the demand-reduction issue, a declaration of demand-reduction principles was being debated in the Commission on Narcotic Drugs.

There was also a need for UNDCP to carry out a quantitative analysis of the economic and social consequences of drug abuse. For example, the Japanese Government was concerned about the effect of drug trafficking and abuse on labour productivity. Quantified data of that type could be used by Governments to mobilize more resources for the anti-drug sector.

Mr. SCHROEDER (Chairman, International Narcotics Control Board (INCB)) welcomed the consensus that drug control must remain a top priority for the United Nations system.

He pointed out that Governments were cooperating to fulfil their obligations under the 1988 Convention by refining their legislation, attacking corruption and using financial tools to effectively deprive drug traffickers of their resources. However, as the drug trade was part of a broader range of criminal activities, the world community needed a comprehensive Convention on organized crime, money-laundering and corruption.

He cited recent signs of success in the worldwide drug control effort, in the form of major drug seizures, eradication of drug cultivation in some areas, and the spread of effective anti-drug education programmes. Had no such actions been taken, the situation would have been far more serious than it was. Such successes would continue if Governments broadened their application of the provisions of the international anti-drug Conventions.

Human rights and the freedom to choose one's own lifestyle ended when the consequences of that freedom damaged other individuals or society as a whole. Therefore, repressive measures against drug abuse and trafficking by no means undermined individual human rights. However, if the drug problem were to be solved at all, it would be primarily as a result of long-term efforts at prevention through education and propagating the idea of a drug-free society. Neglect of prevention efforts in the past had resulted in some countries becoming overwhelmed by the drug problem in their societies, with a consequently higher price to be paid to find solutions.

Mr. KAMAL (Pakistan) expressed his delegation's disappointment at the irregular attendance of the Executive Director of UNDCP, whose presence was essential at all stages of the Council's debate and dialogue on the topic of drugs. He reiterated his delegation's dissatisfaction with the undue emphasis

on the supply side of the drug problem in that debate, and he suggested that the Council should focus on identifying specific areas in which quick and decisive results could be obtainable. It was not enough to contrast the current state of the anti-drug struggle with the situation that would have obtained had no measures been taken at all; rather, the Council needed to consider whether its efforts to date had truly been sufficient and to develop a plan of action that greatly increased emphasis on curtailing the demand for drugs.

He asked what plan of action UNDCP proposed for more effectively curtailing the drug consumption in the Western countries that was fuelling the narcotics trade, as the increasing consumption of narcotics in those countries pointed to the singular lack of success of efforts to curtail it.

He also asked what specific measures the United Nations system and Member States were prepared to take with regard to money-laundering. In view of the fact that the enormous sums of money involved in the drug trade implied a sizeable involvement on the part of the banking system, it was essential to draw private financial interests into a dialogue with Governments within the Council so that they could jointly confront the social menace of drugs.

The PRESIDENT noted the presence of the Executive Director of UNDCP at the current session and regretted the inability of some administrators of the International Monetary Fund, the World Trade Organization and the World Bank to attend the Council's debates. The Secretariat had been instructed to send letters to those organizations expressing his personal regret regarding those absences.

Mr. KAMAL (Pakistan) reiterated the importance to his delegation of the Executive Director's presence in person throughout the Council's debates on the topic of drugs, and not simply at the current meeting.

Ms. BESKER (Observer for Croatia) fully endorsed the content of the note on the impact of drug abuse on societies and said that the ideas it contained had already been reflected in her country's national strategy to control drug abuse.

The assistance of the United Nations system and UNDCP was crucial for the fight against drugs in Croatia, where increasing drug addiction and trafficking had been aggravated by postwar social dislocations and a transitional economy. Croatia lacked the institutional capacity, technical skills and financial resources to deal with the growing drug menace and its effects, and it therefore

looked to UNDCP for essential guidance and technical assistance in implementing its anti-drug policies. It also attached great importance to the regional and subregional approaches of UNDCP, welcomed the growing recognition of the need to expand UNDCP activities in the region of south-eastern Europe, and strongly endorsed the consolidation of the financial basis of UNDCP.

Mr. SUPNET (Philippines) said that all countries should repeal bank secrecy laws protecting the confidentiality of deposits so that prosecutors investigating money-laundering schemes could gain access to essential information.

UNDCP, as the nerve centre for coordinating activities to combat drug trafficking and related activities, should be provided with the necessary funds to carry out its work. Economic policy makers and drug control authorities needed to be partners in the anti-drug campaign at the national level. National development authorities, ministries of trade and industry, and central banks should be encouraged to work with national narcotics agencies in the fight against drugs. The developing countries, which faced the challenge of introducing trade liberalization policies, required the assistance of the international community to provide training and seminars to cope more effectively with the drug problem in all its aspects.

Mr. WOLTMANN (Germany) said money-laundering and the investment of illicit proceeds affected both national economies and the international financial system. Unless the problem was tackled multilaterally, competition between banking systems and investment institutions in different countries would be grossly distorted. All countries should repeal their banking secrecy laws and work together to combat money-laundering.

He agreed with the representative of Japan that, owing to the considerable differences in the financial and economic infrastructures of countries, it was too soon to begin drafting an international declaration on drug trafficking and money-laundering. He commended the valuable work of the Financial Action Task Force, whose guiding recommendations could be adapted to meet the needs of the regions. The Task Force had developed mechanisms for self-assessment and mutual evaluation and typologies of money-laundering practices that were extremely useful for all countries. Finally, he supported the appeals of previous delegations to broaden the financial basis of UNDCP and INCB and encouraged all

countries to contribute in keeping with their financial possibilities, since all contributions, no matter how small, mattered enormously.

Mrs. CHIGAGA (Observer for Zambia) noted that poor developing countries, which were desperately in need of foreign investment, had become particularly vulnerable to the twin evils of drug trafficking and money-laundering. International legal safeguards were needed, together with more effective technical and financial assistance to small developing countries. One area of technical assistance which was crucial to those countries was access to an international database to enable them to investigate prospective foreign investors with suspicious credentials. UNDCP could be designated as the focal point for the exchange of such information.

More subregional and regional cooperation was required to catch those drug barons who moved from country to country within a region. Greater coordination between Governments and international drug control authorities was also needed. Given the disturbing link between a weak economy and the drug trade, UNDCP should use its technical expertise to assist developing countries to train law enforcement personnel and, in particular, drug control authorities to help curtail the activities of international drug traffickers.

Mr. TELLES RIBEIRO (Brazil) said that developing countries faced the additional problem of limited resources when implementing their anti-drug policies. Keeping in mind the link between poverty and the drug problem, especially in the developing countries, and the acknowledged need for international financing, he wondered how the United Nations could persuade the international community and international financial decision centres to play a more active role in the fight against drug-related problems. Since a special session of the General Assembly devoted to drugs had been tentatively scheduled for 1998, he proposed that the issue should top the Council's agenda for that year.

Mr. MERDAD (Observer for the Syrian Arab Republic) said that the United Nations should continue, through its various bodies and especially UNDCP, to coordinate international and regional activities to combat drug trafficking and related problems. He stressed that it should be the only international body authorized to investigate and evaluate drug trafficking at the international level. He asked whether any attempt had been made to adjust national reporting in order to facilitate the work of UNDCP.

Mr. RODRIGUES (Portugal) said that drug trafficking was having a significant impact on the national budget of his country. Though not a producing country, Portugal served as a transit area for drugs such as cocaine and cannabis on their way to other European countries. Therefore, efforts to control its maritime borders had intensified yearly, as had the related financial burden. The number of drug traffickers arrested and convicted had increased by 30 per cent, putting further strain on the already overburdened resources of the justice and prison systems. As to consumption, drug users represented approximately 50 per cent of those convicted of common law crimes, and a large number of them were infected with the HIV/AIDS virus. The rate at which trafficking and consumption were increasing was of major concern to his Government.

Portugal had adopted legislation outlawing money-laundering in 1993 and then revised that legislation in 1995 in keeping with relevant legislation of the Council of Europe. Despite efforts to establish a system of control over financial transactions, the complexity of obtaining evidence of such transactions limited the effects of any actions undertaken. None the less, the number of complaints of money-laundering violations had gone from 17 in 1994 to 95 in 1995 and had reached 59 for the first three months of 1996. Although half of such complaints were never brought to trial, significant sums of money had been seized. International cooperation was the basis of success in that area and close collaboration was needed among the various national and international enforcement agencies such as Interpol. In that regard, his delegation strongly endorsed the proposal of the representative of Mexico calling for international guidelines on ways to eliminate all types of money-laundering activities.

Mr. STOJANOUSNI (Observer for the former Yugoslav Republic of Macedonia) said that greater flexibility was required in the area of international cooperation to combat drug trafficking. National police forces should be encouraged to cooperate more closely, and greater efforts to prevent drug abuse should be made in all sectors of society, not just by law-enforcement and health institutions. He asked the Executive Director of UNDCP to comment on the specific activities of UNDCP that were currently being implemented and those contemplated for the future.

Mr. GIACOMELLI (United Nations International Drug Control Programme (UNDCP)) said that one area which deserved greater attention was the hiatus

created because the judicial system was unable to keep up with the caseload submitted by the law-enforcement agencies. Because of the large number of cases brought to justice and the time it took to resolve them, people were often detained for too long a period without judgement. Frequently, convictions were averted, thanks to skilful legal manoeuvring. Accordingly, every effort should be made to improve the monitoring of indicators such as the number of cases brought to trial, the average duration of procedures, and the outcome of trials including the number of convictions.

Many delegations had referred to the need to establish a true continuum among the relevant conventions. The Global Programme of Action had been the first important effort to transform a legal instrument into a programme of action at the international level, and it should be adapted by countries to reflect their respective requirements. That effort should in turn be reinforced with a voluntarily accepted mechanism to monitor the progress of the international community.

Implicit in the statements by many representatives was the recognition that all components of civil society must work together to focus on drug-related issues within their respective areas of responsibility.

Turning to the question of money-laundering, he said that it was important to ensure broad implementation of the 1988 Convention. UNDCP had helped many countries draft legislation consonant with the Convention. In addition, UNDCP included in national and regional projects training programmes geared to personnel in central banks and financial control institutions. The programmes sought to alter the mentality brought to bear on the ethics of the banking system with a view to ensuring that the needs of an open society were balanced with appropriate safeguards.

He had been asked how UNDCP could help to reduce the demand for drugs, in particular, in the developed world. UNDCP established general norms and worked to increase awareness of the drug problem, and it had organized global and regional forums on demand reduction. However, it must be borne in mind that General Assembly resolution 46/185 specifically requested UNDCP to provide technical assistance mainly to developing countries.

He had been asked what UNDCP was doing to mobilize additional resources. That task had been a high priority since the Programme's inception. A dialogue was being maintained with Member States in order to ensure that the burden was

fairly distributed and that no particular country had "ownership" of the Programme. A white paper on financing which he had recently submitted to the Commission on Narcotic Drugs had been well received. In addition, substantial progress had been made in the effort to involve other organizations, the financial institutions in particular, in the effort to mobilize resources.

Despite some initial reluctance in the Administrative Committee on Coordination (ACC), the relevant organizations of the United Nations system now fully accepted the need for coordinated efforts to combat drug-related problems, including at the field level. He urged Member States to speak with one voice in the various governing bodies of those organizations.

He had been asked to indicate what the primary drug abuse problems were and what trends were expected to develop. The problem as a whole had been getting worse on a daily basis and would probably continue to do so before the situation improved. The geographical reach of drug traffickers was expanding rapidly. Their influence on supply and demand commanded such close attention because of the perverse role which organized crime and traffickers played in infiltrating economic and political circles. Nevertheless, it was important not to take a defeatist attitude; the international community was working hard to create a foundation on the basis of which it would gradually gain ground against the epidemic of drug abuse. It was imperative to address the short, medium and long-term aspects of the problem. The Council's discussion had demonstrated that there was now considerably more common ground on which to build the international effort.

Mrs. CASTRO de BARISH (Costa Rica) said she agreed with the representative of Mexico that more concrete information was needed on the impact of drug profits on international markets. She would also like to know the current levels of income generated by such sales.

She further agreed with the Mexican delegation that free trade agreements should include machinery to combat money-laundering. Like the representative of Pakistan, she believed that a dialogue between interested delegations and the international monetary institutions would be very useful.

Her delegation welcomed the new legislative initiatives taken by Colombia with the assistance of the International Narcotics Control Board, and she extended her delegation's appreciation to the Board for its cooperation with her own country. She would welcome information about cooperation between the Board

and UNICEF with respect to the rehabilitation of children and adolescents, who were so highly vulnerable to the lure of drugs.

Mr. ZULU (International Monetary Fund (IMF)) said that the Fund focused on combating money-laundering. As a member of the Financial Action Task Force, it worked to develop techniques to deal with that issue more comprehensively.

Where possible, IMF included information about the impact of drug sales in the macroeconomic data which it reported. Such information was difficult to gather given the clandestine nature of drug-related activities. IMF provided technical assistance to Governments to help them counter tax evasion resulting from money-laundering. It also assisted its member countries to devise banking legislation which would reduce the extent to which the banking system was used in money-laundering. In conclusion, he said that IMF provided substantial assistance designed to enable banking supervision authorities to detect unusual developments in the operations of a particular bank as a means of detecting illicit activity.

Ms. PACHTER (World Bank) said that although the World Bank had not been asked to fund many drug control projects per se, it was called upon to include in projects components that would respond to the economic and social impact of drugs. The World Bank also supported drug rehabilitation components in health projects and provided assistance to enable countries more effectively to deal with drug problems through their judicial systems.

Mr. MINEL (International Labour Organization (ILO)) pointed out that the improved coordination among the various organizations of the United Nations system with regard to drug problems was an outgrowth of the follow-up activities to the major international conferences held during the 1990s. The cross-sectoral approach inherent in that follow-up ensured that activities undertaken in one field would have a favourable impact on efforts in other fields.

His organization's contribution to that shared endeavour included its efforts to define more dynamic policies for job creation in producer and consumer countries and its workplace training modules on drugs.

Mr. MATHEWS (South Africa) noted that many delegations had stated that globalization, more liberal trade policies, information technology and modern banking systems actually facilitated the commission of crimes. However,

recourse by drug traffickers to the tools of modern technology did not make them invincible; those tools should be honed to defeat the traffickers.

Mr. LOURIOLA (Observer for Italy) fully endorsed the remarks by the Executive Director of UNDCP. The special session of the General Assembly to be held in 1998 should pay close attention to the social consequences of the drug problem, and he underscored the importance of prevention activities.

Mr. DIAO Ming Sheng (China) said that drug-control cooperation among the various agencies of the United Nations system should be strengthened in order to implement the Global Programme of Action, and the role of UNDCP should be further enhanced. UNDCP should objectively and realistically formulate policies to combat drugs, taking fully into account the characteristics of different regions and adopting a balanced strategy emphasizing both demand reduction and efforts to cut off the supply of drugs. UNDCP could not be hampered in its activities by a lack of resources; countries should increase their contributions, and those contributions should be free of conditions.

Drug abuse control should be related to development activities. The international financial institutions and the developed countries should allocate more resources to drug control and should assist the developing countries which were in particular difficulty by providing resources and technical assistance and advising them on crop substitution strategies. That was another dimension of sustainable international development.

His delegation supported the idea of convening a special session of the General Assembly in 1998. Before the advent of the twenty-first century, a strong message must be sent to the world public about the determination of States to combat drugs. The session should be action-oriented with a view to solving specific problems.

Mr. MAYRHOFER-GRÜNBÜHEL (Observer for Austria) said that UNDCP could not play a leadership role and coordinating function unless it had all the necessary information. A number of regional and national initiatives appeared to be duplicating the information-gathering function of UNDCP. UNDCP was best suited to do the work, however, and should be given the scarce resources available. States must provide information to UNDCP; UNDCP sent out questionnaires and requests for information on a fairly regular basis, but some countries, including countries which were lamenting the lack of information about the drug problem, had not been forthcoming.

His delegation agreed that the growth of the drug problem could not be blamed on privatization. However, globalization and the macroeconomic environment made it possible both for private enterprises to develop and for drug syndicates to organize on a global scale, and they both tended to be well ahead of national regulatory authorities. After opening its borders to the East, his Government had had to make extensive changes in national banking and insurance law and the Penal Code to stem the tide of organized crime. Austria was in the process of ratifying the United Nations drug control conventions and relevant conventions of the Council of Europe; ratification had been delayed by a number of legal and constitutional problems. UNDCP, along with the Crime Prevention and Criminal Justice Division of the United Nations Secretariat, had a major role to play in providing legal assistance.

His delegation felt that UNDCP could concentrate more on the issue of money-laundering, and it had therefore proposed that a separate unit on money-laundering should be set up in the Crime Prevention and Criminal Justice Division.

He had gained the impression from the comments made by the representatives of IMF and the World Bank that the drug problem was not really a major issue for them. His delegation wished to know to what extent they cooperated with UNDCP and the Crime Prevention and Criminal Justice Division.

Ms. BECKER (United States of America) said that, as the world's largest illicit drug market, the United States recognized that its primary obligation was to address its own drug demand problem; it did not intend that other countries should solve its problem.

Her Government had achieved significant results in cutting back consumption; between 1979 and 1995 the number of people using illicit drugs had been halved, going from 24.8 million to 12.2 million. Between 1988 and 1994 the number of past-month cocaine users had declined from 5.2 million to 1.2 million. However, her Government was concerned about the slow progress being made against the population of hard-core heavy users of cocaine. In 1996, about one third of the budget for drug control - $5 billion - would be used for demand reduction, and an additional 55 per cent would be allocated to domestic law enforcement.

The problem of demand was not limited to the United States or the Western hemisphere; the United States had only 4 per cent of the world's heroin addicts.

The consumption of methamphetamine was growing faster outside the Western hemisphere.

There was a key role to be played in demand reduction by other United Nations agencies, including WHO, which should focus on substance abuse, prevention, treatment and rehabilitation. UNICEF was designing projects to target drug-addicted and at-risk children. UNFPA and other agencies also had a role to play. States must speak with one voice in the governing bodies of those agencies.

The representative of Colombia had implied that the problem of demand was an internal problem. Her Government would be interested in sharing information on successful prevention and treatment methods and in the provision of technical assistance to help it make its programmes more effective.

With regard to the proposals for a convention on money-laundering, her Government felt that it was far preferable to maximize the effectiveness of existing instruments, complementing them with the recommendations of the Financial Action Task Force. It might also be an undue burden on small countries to have to negotiate a new international instrument.

Mr. GONZÁLEZ GÁLVEZ (Observer for Mexico), referring to the proposal to draw up a global agreement on money-laundering, said that regional approaches were not incompatible with a global approach. Multilateral cooperation had not yet reached a level at which it could be completely relied on. There were very different and sometimes conflicting approaches to money-laundering, and there was a clear need for a global framework. As a first step, there could be a declaration of principles. The recommendations of the Financial Action Task Force of the Group of Seven major industrialized countries could not be accepted without negotiation.

Mr. ALOM (Bangladesh) said that, given the multidimensional nature of illicit drug trafficking, UNDCP should play a coordinating and catalytic role, concentrating on demand reduction and identifying critical issues. It should prepare an action-oriented paper which could be considered at the proposed special session of the General Assembly.

Mr. CONNOLLY (United Nations Children's Fund (UNICEF)), referring to the questions raised about cooperation between UNDCP and UNICEF, and about inter-agency collaboration in general, said that UNICEF was strengthening its joint efforts with UNDCP, particularly since in its programming efforts it was

concentrating increasingly on young people. UNICEF was accelerating its collaborative efforts through inter-organizational technical support and was expanding joint efforts at the regional and country levels focusing on children and young people in crisis. It was hoping to increase financial support to innovative country programmes.

Mr. GIACOMELLI (Executive Director, United Nations International Drug Control Programme (UNDCP)) said that the question of laundered money was an underground subject. It was hard to quantify the amounts involved, although they were certainly in the order of hundreds of billions of dollars. Generally speaking, the money moved from the hands of the poor to those of a few rich people, who spent it chiefly on perpetrating the corruption of economic and political power. From a geographical viewpoint, the laundered money tended to go back to the drug cartels, which used it to control power, contaminating the economies of the countries concerned. In reality, there was no such thing as money-laundering, because as long as money was in dirty hands it remained dirty and polluted economic and political power.

He agreed with the representative of South Africa that new technologies and the free market, besides being an aggravating factor for the drug problem, also represented an opportunity to take action at the global level.

Mr. INOMATA (Japan) said that, as Chairman of the Commission on Crime Prevention and Criminal Justice, he wished to report that the Commission had adopted a draft declaration on crime and public safety and an international code of conduct for public officials and was working on a convention on the control of organized crime. He agreed that UNDCP and the Commission should establish a joint unit on money-laundering, without incurring additional costs.

Ms. QUIJANO (Colombia) said that regional initiatives were important in order to pave the way for the formulation of a binding international instrument on the subject of money-laundering. Colombia was carrying out its own initiatives in the South American region.

On the question of bank secrecy, she said that States had to comply with the provisions of the 1988 Convention and that bank secrecy could not be used to cover up drug trafficking or money-laundering.

The meeting rose at 6.15 p.m.

UNITED
NATIONS

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Economic and Social Council

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E/1996/SR.16
26 July 1996

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Substantive session for 1996

PROVISIONAL SUMMARY RECORD OF THE 16th MEETING

Held at Headquarters, New York,
on Friday, 28 June 1996, at 10 a.m.

President: Mr. GERVAIS (Côte d'Ivoire)

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(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL

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The meeting was called to order at 10.30 a.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION

(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL (E/1996/72 and Corr.1)

Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development), introducing the report by the Secretariat contained in document E/1996/72, which focused on the strengthening of collaboration in programme delivery at the country level said that, in his view, collaboration at the field level would be greatly enhanced by closer collaboration earlier in the policy development process.

During the preparations for the recent series of global conferences, links with the Bretton Woods institutions had been strengthened. Full interaction between the United Nations and Bretton Woods institutions in the implementation of the decisions reached at those various conferences would further strengthen those links.

Mr. SPETH (United Nations Special Coordinator for Economic and Social Development) said that, at a time of new trends in development cooperation, it was appropriate to consider what the Council could do to help lead the efforts of the entire United Nations family, including the Bretton Woods institutions, in the economic and social fields. Progress had been achieved in the key areas of follow-up to the recent global conferences, strengthening of the resident coordinator system, the campaign to eradicate poverty and the response to countries in special circumstances, subjects which were also pertinent to the relationship with the Bretton Woods institutions. He detailed some of the many examples of collaboration between the United Nations system and the Bretton Woods institutions. Complementary to those efforts, a Working Group had been established on strengthening collaboration, which had identified several areas for improvement, including countries in special circumstances, exchange of information and data in key areas for policy analysis, exchange of information

on planned research and policy studies on key development issues, country-level cooperation and policy coordination and reporting to intergovernmental bodies.

Among significant developments in the follow-up to the United Nations global conferences, the Administrative Committee on Coordination (ACC) had approved and launched the United Nations System Conference Action Plan (UNSCAP).

Despite all efforts, poverty was growing faster than population; one and a half billion people lived in poverty in United Nations programme countries. Under the Secretary-General's leadership, the United Nations had concluded that the attack on poverty should have five principal thrusts, coming directly from the continuum of United Nations conferences. For the first time, the entire United Nations system, including the Bretton Woods institutions, was organized around those five thrusts: basic social services for all, employment and sustainable livelihoods for all, sustaining the natural resource base, advancement and empowerment of women, and the overarching enabling environment. In all five areas, United Nations inter-agency task forces and the Committee were working to support country themes. At the country level, resident coordinators were organizing around those themes in support of country priorities and programmes. In an era of cries for United Nations reform, that constituted a major step.

The United Nations system was strongly committed to strengthening the resident coordinator system and was taking steps to implement the relevant provisions of General Assembly resolution 50/120 in a coordinated manner. The management process developed by the Secretary-General after consultations within the system was described in document E/1996/64. The process included specific actions, targets, benchmarks, time-frames and principal actors for the full implementation of the resolution. A strong resident coordinator system would help bring the United Nations system together at the country level in a more integrated, harmonious and unified way, based on the concept of goal-oriented collaboration among agencies in support of country-defined priorities and programmes.

On the subject of poverty eradication, the International Year for the Eradication of Poverty and the first United Nations Decade on the Eradication of Poverty (1997-2006) had been launched to increase public awareness that eradicating poverty was a reachable goal and was fundamental to reinforcing peace and achieving sustainable development. A good deal of progress had

already been achieved in implementing the expanded cooperation in the social development field called for in the Programme of Action of the World Summit for Social Development. In addition, UNDP had launched a poverty strategies initiative to assist in country-level implementation of commitments adopted at the Summit. Poverty eradication had been identified as the highest priority of United Nations system cooperation at the country level, according to the great majority of resident coordinators. The Council was responsible for overseeing the implementation of the Summit outcome, and in order to fulfil that responsibility, it must strengthen its authority, structures, resources and processes. A closer working relationship would thus be possible between the specialized agencies and the Council, which would enable it to measure performance and review progress made. The material and natural resources and the know-how to make a poverty-free world a reality already existed; he therefore called on members to launch a crusade against mass poverty.

With regard to countries in special circumstances, the Secretary-General had asked ACC to examine the support required by countries in special situations, where the system was called upon to undertake functions which extended beyond the scope of the standing arrangements for coordination with humanitarian and operational activities, for he believed there was a need to strengthen the overall capacity of the system for early warning and for exchanging information when a complex emergency situation appeared imminent. For example, in Liberia and Sierra Leone, United Nations agencies and the World Bank were actively engaged in helping those countries to develop their reconstruction and rehabilitation programmes in response to conditions of national crisis.

There was no better example of how those five dimensions of change intersected than the work under way to implement the Special Initiative on Africa. The World Bank had been a key partner in its development and would be closely involved in the resource-mobilization strategy. The coordination mechanism included the ACC Steering Committee, coordination at the field level through the resident coordinators and 12 thematic inter-agency groups. That was not enough to ensure success, however. The Special Initiative on Africa must continue to rely on the support of the entire United Nations family through the resident coordinator system, as well as the political and financial mobilization from the donor countries and from recipient countries. The mid-term review of

the New Agenda for the Development of Africa in the 1990s would be particularly important in ensuring that the resources of the system fully supported the objectives of the initiative.

Mr. BROWN (World Bank) said that the process of development was being revolutionized by two major trends: the decline in official development assistance (ODA) and the dramatic increase in private capital flows; whereas ODA at $58.8 billion in 1995 was at its lowest point since 1970, as a percentage of GDP among the countries of the Group of Seven, private investment had nearly quadrupled since 1990 and had now reached approximately $170 billion. In East Asia and parts of Latin America, it was private capital that was fostering development and creating wealth. Within that context it was necessary to determine how best to use the multilateral system.

Even in those countries receiving a high level of private capital, however, official assistance was still needed to develop health and education systems and social safety nets, to build capacity for environmental enforcement and to reduce poverty. Moreover, over 80 per cent of private capital flows went to fewer than 12 countries. Almost half of the countries surveyed for the Global Economic Prospects report were less integrated than a decade earlier in terms of trade with the outside world. Lower integration meant lower potential for growth. It must be remembered that the absolute number of people living in poverty - currently 1.3 billion - was growing, not shrinking.

In the new global environment, multilateral institutions could best play the role of catalyst. Cooperation, with the partners in the United Nations system was already taking place productively on five levels. To begin with, there was a new intellectual convergence between the World Bank, the United Nations and others in the development area as to what constituted sound development policy: structural adjustment was dead. However, policy reform, that was to say a sound macroeconomic environment, an open trading system, a limited but efficient Government and a supportive environment for domestic and foreign investment, was alive and well. There was strong support for that intellectual consensus from Governments and societies, and many non-governmental organizations as well.

As part of the convergence the Bank and others now explicitly recognized that a country's overall development strategy must also emphasize investment in human development, targeting the poorest and most disadvantaged, and ensuring

social safety nets and environmental safeguards. They also recognized that change could not be imposed from outside but must come at a pace a country could manage. As a reflection of that change in philosophy, the World Bank was currently the largest single source of external finance for social services or human capital development.

That intellectual convergence gave new intensity to cooperation at the country level. A good deal of progress had been made during the previous year in rationalizing and deepening the important partnerships between the World Bank, United Nations agencies, non-governmental organizations and the private sector. At the same time it was up to each country to decide how projects and policies should be implemented.

At the sectoral level, the Bank's cooperation with the United Nations extended to such crucial global issues as the Global Environment Facility (GEF), work in post-conflict countries, and the Special Initiative on Africa, which encompassed an unprecedented commitment by the Bank and the United Nations to coordinate their activities at the country and sectoral levels.

With regard to ODA, concerted efforts must be made to win over public opinion in the donor countries and to put an end to the decline in ODA. The efforts of the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees (UNHCR) in that regard had been rewarded by public support and donor funding. A similarly compelling case should be made for development as a whole.

At the institutional level, frequent consultations also took place on topics of mutual concern. The World Bank actively participated in the work of the Administrative Committee on Coordination and he himself was Chairman of one of the three task forces established by that body to coordinate the inter-agency response to the recent global conferences.

Mr. FERRÁN (International Monetary Fund (IMF)) said that a core aspect of the Fund's activities was its surveillance of the economic policies of member States and their effects on the world economy. Such surveillance was particularly important in view of the rapid globalization of the world economy.

The globalization process had caused world trade to expand in recent years at a rate greater than that of global output and vast amounts of investment capital were currently available through international capital markets. Consequently, the world economy offered new opportunities for countries to

expand output, increase employment, accelerate growth, and raise living standards. At the same time, however, it posed certain challenges both to the Fund and to orderly global economic development. To meet those challenges, the Fund had recently intensified its efforts in three areas.

First, it was strengthening surveillance, by ensuring that the monitoring of the economic and financial policies of member countries was more continuous, comprehensive and transparent, and was improving its ability to identify and address emerging problems. It was also encouraging members to provide the Fund with at least a minimum set of core economic and financial data, especially in the period between consultations.

Second, since circumstances requiring special action might still arise, it had clarified procedures so that it could respond rapidly to crises and emergency situations. It had also adapted its policies on assistance in cases of natural disaster to include "post-conflict" situations, in which timely assistance from the Fund could contribute to the reconstruction of economies emerging from war and internal strife.

Third, since the Fund's ability to fulfil its mandate ultimately depended on its having a strong resource base, it proposed to substantially increase the quota base and to double the resources available under the General Arrangements to Borrow. It was strengthening its concessional facility to ensure continued support to its poorest members and was seeking ways of financing a continuation of the Enhanced Structural Adjustment Facility which, ultimately, would become self-sustaining.

With respect to the role of IMF in the follow-up to the recent global conferences, there was growing collaboration between the Fund and the agencies of the United Nations system. The Fund's main contribution would be to help establish the macroeconomic framework needed to underpin the implementation of the social and sectoral programmes launched by other institutions. Wherever possible, it had also sought to incorporate the major recommendations of the global conferences into its policy dialogue with each member country.

In the social field, the Fund was focusing on measures to protect the most vulnerable segments of society. It had encouraged Governments to protect funding for basic social and infrastructural services and, as a follow-up to the World Summit for Social Development, it was paying increasing attention to the efficiency of public expenditure, including basic social spending, as well as to

the search for more efficient labour market policies and cost-effective social protection instruments.

In keeping with the recommendations of the Fourth World Conference on Women, the Fund had paid attention to the need for protecting public expenditures on primary health care and education, population planning and legal rights for all, and particularly the need to improve access to those services by women.

With regard to the United Nations Conference on Environment and Development, the Fund in its dialogue with member countries recommended measures to strengthen economic growth in a manner which promoted sustainable and environmentally friendly development, even though it had limited in-house expertise in environmental problems. Its staff, moreover, routinely consulted with colleagues in the World Bank and other specialized United Nations agencies, including UNDP.

The Fund regularly provided information to the United Nations by releasing its country economic reports and by contributing to the reports prepared by the United Nations Secretariat. Its Managing Director had regular exchanges with the Secretary-General of the United Nations and engaged in regular formal dialogues with the Economic and Social Council in pursuit of matters of common interest. With regard to the Special Initiative on Africa, for example, the Fund shared the concern about the risks of marginalization facing Africa and was seeking to strengthen the institutional capacity of the countries of that region to implement macroeconomic policies and structural reforms.

The Fund collaborated with UNDP within the framework of an agreement between the two institutions under which IMF provided technical assistance to member countries which was financed from UNDP resources. Projects focused on building transparent and accountable institutions for economic and financial management and the experience so far had been entirely satisfactory.

A number of steps had recently been taken to strengthen cooperation between the Fund and the International Labour Organization (ILO), including measures aimed at helping IMF staff to acquire a better understanding of labour markets and social protection issues and ILO staff to integrate into their policy advice at the country level the views of the Fund on macroeconomic policies and targets for the country concerned. Contact between the two staffs was also being

strengthened in many countries through joint seminars on labour market and social protection mechanisms.

The Fund was close to finalizing a cooperation agreement with the World Trade Organization (WTO) aimed at strengthening the collaboration that had existed between IMF and the General Agreement on Tariffs and Trade (GATT). The agreement would provide for the exchange of information and documents, attendance at meetings, and consultations at the staff and institutional levels aimed at achieving greater coherence in global policy-making.

Mr. ACUÑA (Costa Rica), speaking on behalf of the Group of 77 and China, said that whereas the challenges confronting the international community were multiplying both in number and complexity, the global resources being devoted to them were diminishing. A central task of the Council was therefore to secure the requisite resources to sustain international cooperation for development. One of the most cost-effective means of carrying out that task was to strengthen collaboration between the United Nations system and the Bretton Woods institutions. Such cooperation, however, should be appropriately structured and should stem from a shared and systematic assessment of country needs, as defined by the recipient countries themselves. In that connection, the Group looked forward to the early implementation of section VIII of General Assembly resolution 50/227 and, in particular, to the joint review by the United Nations and the Bretton Woods institutions to assess mechanisms, programmes and relationships at the field, headquarters and intergovernmental levels with a view to identifying areas in which communication, cooperation and coordination could be improved.

As for the areas of collaboration between the United Nations system and the Bretton Woods institutions, emphasis should be placed on eradicating poverty, stimulating and sustaining economic growth in the developing countries, achieving sustainable development, capacity-building and designing of people-centred structural adjustment programmes. The United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO) should both play active roles in stimulating and sustaining economic growth. The two groups should also jointly explore alternative models of structural adjustment, particularly models which incorporated the social dimension into the adjustment process.

Policy dialogues among all partners in the development process were another useful way of identifying key development issues, defining alternative policy options and facilitating a common approach to development challenges at the country level. Similarly, closer concurrence between the policy framework papers of the World Bank and IMF and the country strategy note of the United Nations system would be helpful and would be greatly aided by effective coordination at the field level under the guidance of the national government. However, the Group reiterated its opposition to the efforts of some countries to add to the resident coordinator's responsibilities certain tasks which went beyond the development mandate.

Finally, the United Nations system and the Bretton Woods institutions should expand their co-financing of field programmes and projects, and continue to explore innovative ways of combining their resources. Increased collaboration between the two groups should not lead, however, to the marginalization of the United Nations in global economic policy and decision-making. It should instead be an intrinsic part of the reform process, a principal purpose of which was to restore development to the forefront of the international agenda and to strengthen the role of the United Nations in international cooperation for development. Under no circumstances, moreover, should such collaboration lead to new conditionalities or render the operational activities of the United Nations system subject to the same restrictive policies normally accorded to loans.

Mr. GIORGIANNI (Observer for Italy), speaking on behalf of the European Union and also Bulgaria, Cyprus, the Czech Republic, Estonia, Lithuania, Malta, Romania, Slovenia and Slovakia, said that, at a time when important changes were taking place in economic and social development policies, it was particularly important for the Council to provide vision and leadership with respect to the collaboration between the United Nations system and the Bretton Woods institutions. Collaboration at the country level was especially crucial for the effective implementation of development strategies and, in that connection, more consultations should take place with development partners in order to encourage effective cooperation based on the respective strengths of each institution in responding to the national plans and priorities of the developing countries, while avoiding overlapping and duplication and utilizing common services as far as possible.

Each group of organizations had distinctive capabilities and a specific role to play in fostering greater coherence between the different elements of economic and social development, particularly at the country level. There was also a clear need for the priority allocation of scarce grant resources to programmes and projects in low-income countries, especially the least developed among them. Indeed, current international development thinking, as defined in the recent global conferences, provided a solid framework for improved cooperation and priority setting and the conference recommendations should therefore be implemented at the field level as early as possible.

The European Union agreed that the United Nations and the Bretton Woods institutions should participate more actively in joint policy dialogues with host countries; that there was a need to jointly identify the level of intervention required at all levels to combat poverty; that a common effort was needed to restore the political, financial, social and economic infrastructure of regions affected by conflict; that there should be increased cooperation in post-conflict situations; and that emphasis should be placed on capacity-building and human development.

The aim of coordination between the Bretton Woods institutions and the United Nations system was to strengthen the capacity of Governments to improve the efficiency, effectiveness and impact of the operational activities of the United Nations system. Coordination measures should enhance the link between the country strategy notes of the United Nations and the policy framework papers of the Bretton Woods institutions, improve cooperation between UNDP and the World Bank in the preparation, discussion and follow-up of round-table meetings and consultative groups, combine efforts to support the development process, support the building of national capacities for programme development and implementation, and take full account of the exchange of experiences and lessons learned.

The European Union welcomed the Special Initiative on Africa as an example of how coordination could be improved at the field level. Much remained to be done at the country level where collaboration between the United Nations and the Bretton Woods institutions had the potential to combat poverty and ensure that sustainable human development remained high on the agenda. It was important to ensure greater complementarity in the area of poverty reduction which, it was recognized, was one of the principal development policy priorities.

The new dimension of collaboration between the United Nations and the Bretton Woods institutions should go beyond consultations and formal mechanisms to embrace a united effort by national governments and the international community.

Mr. POSAYANOND (Thailand) said that globalization of the economy and continuing democratization in many parts of the world had given rise to the need for an in-depth and strategic collaboration between the United Nations system and the Bretton Woods institutions. His delegation strongly believed that regardless of each organization's mandate and priorities, their common primary obligations were to channel resources for development to countries in need, to help maintain international financial stability and to forge frameworks for international cooperation for sustainable development.

Cooperation should be in the form of partnerships for development in which the interests of the developing countries, in particular the least developed countries, were given due consideration. Emphasis should be placed on studying the impact of the Uruguay Round of multilateral trade negotiations on developing countries and considering new issues which might be raised at the forthcoming WTO ministerial conference with a view to integrating the least developed countries into the world economy.

UNDP, the World Bank, IMF and recipient Governments should closely coordinate their efforts in the production of country strategy notes and policy framework papers. Such an effort would create more coherence in development cooperation, and would also reduce duplication of work between the United Nations and the Bretton Woods institutions. At the policy level, his delegation also urged the United Nations and the Bretton Woods institutions to conduct a joint assessment review of their relationship and explore possible ways of enhancing integrated communication, cooperation and coordination.

Mr. GORELIK (Russian Federation) said that his delegation attached great importance to deepening and improving cooperation between the United Nations development system and the Bretton Woods institutions. Such cooperation was a vital ingredient in reforming United Nations activities in the economic, social and related fields. In that connection his delegation wished to receive additional information about the outcome of the recent consultations between the President of the World Bank and the heads of seven United Nations agencies on the prospects for future cooperation.

His Government noted with satisfaction that task groups had been established in the wake of various international forums on an interdisciplinary thematic basis. The creation of inter-agency machinery to deal with, inter alia, the problems of HIV/AIDS, education, water supply and sanitation was also a welcome development. Coordination of country strategies and operational programmes, joint participation in field missions for the evaluation of country needs and round-table and consultative meetings were further evidence of useful cooperation.

Much had been done by the United Nations and the Bretton Woods institutions in the field of macroeconomic analysis and various types of thematic research on socio-economic issues. Unfortunately there had been occasional instances of duplication and cases in which contradictory approaches and statistics had been used. Greater coordination would help avoid such inconsistencies.

Useful projects undertaken by United Nations agencies in conjunction with the Bretton Woods institutions should be copied more widely, especially where operational activities were concerned. It was especially important that such cooperation should take account of the specific features and needs of individual countries, factoring in their own plans and strategies.

Mr. LEWIS (United Nations Children's Fund) said that cooperation between UNICEF and the World Bank spanned a wide range of activities. Recent key cooperative undertakings included the 20/20 Initiative, follow-up to the World Conference on Education for All, involvement in the joint United Nations Programme on HIV/AIDS, participation in three of the inter-agency task forces established by the Administrative Committee on Coordination, and the signing of four memorandums of understanding for collaboration on education and health in sub-Saharan Africa. Government contributions to World Bank funds to UNICEF had already been used to support specific activities within country programmes.

Cooperation between UNICEF and the World Bank as part of the Special Initiative on Africa deserved special note, since the Africa initiative was an opportunity to show how the United Nations and the Bretton Woods institutions could work together most effectively; many of the areas eligible for World Bank support lay at the core of UNICEF's mandate in fields such as basic health, primary education, water and sanitation.

UNICEF noted with satisfaction the World Bank's Agenda for Early Childhood Development which had resulted in $745 million being made available for

investment in the social sector by the end of 1994. The Fund had also been delighted to learn that the Bank was contemplating the possibility of further investment in programmes for children.

UNICEF welcomed the debt relief initiatives that had been put in place by the World Bank in order to relieve the economic strangulation afflicting so many countries, but pointed out that poverty continued to increase and take its toll on vulnerable children.

Mr. WLOSOWICZ (Poland) said that the international community faced the challenge of providing an appropriate institutional framework aimed at promoting human-centred, equitable and socially as well as environmentally sustainable development. Cooperation between the United Nations system and the Bretton Woods institutions lay at the heart of the United Nations response to that challenge. Any discussion on strengthening such cooperation should be based on existing experience. Existing mechanisms and opportunities should be utilized to the full. In that respect his delegation wished to underscore the importance of existing cooperation in capacity-building and human resources development, decentralized governance and community-based development, management and coordination of development assistance, rehabilitation and reconstruction of countries emerging from conflict, and poverty monitoring.

His Government noted with satisfaction that the priorities approved by major United Nations conferences had appeared on the agendas of the Bretton Woods institutions. It was vital that existing means of cooperation should be supplemented by regular meetings on specific themes, sharing of information, research and policy analysis, initiation of high-level policy, and dialogue on key issues between the United Nations system and the Bretton Woods institutions.

External assistance could only supplement, not replace, the efforts of individual countries. The success of development activities depended on implementing economic reform programmes, strengthening the banking sector, reforming social insurance systems, establishing new legal frameworks that allowed for the enforcement of contracts and other features of market economies, and better targeting social safety nets to protect the most vulnerable segments of society.

Ms. BURTON (Ireland) said that it seemed paradoxical that, at a time when development cooperation budgets were being reduced in many countries and when there was much talk of a crisis of multilateralism, there was also a

growing international consensus on new ways forward in development cooperation. In recent years some had spoken of a "migration of tasks" from United Nations agencies to the international financial institutions, partly because the World Bank and IMF had played such a visible role in shaping macroeconomic policies in poorer countries. Her Government was concerned that the Bretton Woods institutions had in some cases initiated and implemented projects that fell within the competence of other United Nations agencies without adequate consultations or proper engagement.

Her delegation welcomed the closer relationship that had developed between the United Nations system and the Bretton Woods institutions, but said that much remained to be done. United Nations development agencies had unrivalled experience in the fields of poverty reduction, human development and sustainability. The Bretton Woods institutions should draw on that experience in both programming and operational terms. Structural adjustment policies were an area where greater cooperation and coordination could be applied. She noted that in many countries the United Nations development system was "informed" but not "involved in" the preparation, coordination and implementation of structural adjustment programmes, which revealed an inherent confusion in the operational relationship of the multilateral institutions. While everyone accepted that different institutions had different mandates, such a lack of coherence and coordination gave multilateralism a bad name. Building international confidence in the value of multilateralism in the development sphere required several urgent steps such as increased partnership between institutions; increased coordination and monitoring of activities, particularly at country level; and increased collaboration between the international financial institutions and United Nations agencies in establishing a full coherence of approach between separate but complementary roles.

Some of the specific suggestions for fostering greater cooperation and coordination with the Bretton Woods institutions that had been made by the executive heads of United Nations agencies should be carefully considered. Such suggestions included establishing formal working arrangements through memorandums of understanding; mutual representation at meetings and consultation on proposals and programmes; and participation by United Nations agencies in the identification and appraisal of bank loans in their respective fields of competence. One obvious area of collaboration between United Nations agencies

and the Bretton Woods institutions was the preparation of their respective country strategy notes and policy framework papers.

While some developing countries feared that enhanced cooperation might restrict operational activities within the United Nations system, her delegation was confident that such concerns could be allayed by implementation of practical and meaningful cooperation that respected respective competences and mandates. In addition, the resident coordinator system at country level should be made more systematic and structured.

Despite differences in mandates, governance and methods of financing, United Nations development agencies and the Bretton Woods institutions were operating within the same framework of agreed goals outlined in the declarations and programmes of action adopted at United Nations conferences. However, there was clearly some way to go in order to establish more effective and pragmatic relationships.

Ms. KIMBLE (United States of America) said that her delegation supported continuing cooperation between United Nations bodies and the Bretton Woods institutions, commending in particular the new principle of intellectual convergence guiding their work. In pursuing sustainable development, agencies should focus on country-led strategies, designed on the basis of need and the comparative advantage of relevant agencies.

Enhanced cooperation in the field, the active involvement of the World Bank in projects and programmes arising from major United Nations conferences, the evolving relationship between UNDP and IMF, and the latter's recognition of the important concept of sustainable human development offered evidence of a new level of responsiveness by the Bretton Woods institutions to the elaboration of development strategies through intellectual convergence and collaboration. That work could be further enhanced if at future sessions the Council considered the reports of the World Bank on the results of those initiatives.

In examining such initiatives, attention should be paid to the workings of the Council itself. An earlier session on dialogue with the Bretton Woods institutions had been disappointing and unproductive, with too much time spent on prepared speeches and too little on contributions from those institutions. The way in which items were scheduled, the apparent failure of the Secretariat to help institutions focus their presentations in advance and, above all, the tight time constraints had precluded all but a fleeting reference to the main

theme of the high-level segment on the part of the institutions. That, coupled with the unexplained absence of the World Trade Organization (WTO), suggested a need to reinvigorate the session through better planning, more direction from the Secretariat on issues to be discussed and greater prior input on thematic issues from the Member States.

In order to further enhance the work of the Council, she suggested that the Council should adopt at the current session a resolution welcoming the prospect of receiving information from the Secretary-General in early 1997, pursuant to resolution 50/227 (1996), concerning a special high-level meeting to be held at the time of the semi-annual meetings of the Bretton Woods institutions.

Mr. SPETH (Special Coordinator for Economic and Social Development) said that he appreciated the concern in some quarters that the United Nations could be marginalized as a development agent and forum for discussion on international policy matters. The United Nations should be mindful of that danger and not seek to add conditionalities to its development programmes and projects.

In that regard, he welcomed the proposals of the Group of 77 and the European Union concerning enhanced development cooperation, and their support for development initiatives.

There were two possible options for improving country-level coordination between the United Nations and the Bretton Woods institutions. Either the funds and programmes could be placed in more tightly defined categories, eliminating overlap in the missions and mandates of those bodies. Or, given the shortage of funds for that task, institutions could recognize that some overlap was inevitable and seek to deal with it through better cooperation, integration of work and use of the resident coordinator system.

It was vital that the complex of agencies at country level should ease the burden on developing countries by simplifying and integrating their development processes. At the same time, the political support and cooperation of Governments was needed to avoid funding of country programmes that worked to the detriment of the comparative advantage principle.

As cooperation between policy makers and analysts improved, it was important that the Council too should give consideration to its own contributions and seek to achieve results based on constructive, clear and focused dialogue.

Mr. BROWN (World Bank) said that the real stumbling block to achieving broader support from the donor community was the absence of political will. Problems such as severe indebtedness could not be resolved by banks alone; they required a comprehensive response from all parties involved. The very basis of the initiative for Africa, for example, had been put in jeopardy as a result of decisions taken in the United States Congress. Public awareness, support and information were needed, if the requisite political support for development were to be garnered.

Concerns that the World Bank was interfering in United Nations development programmes reflected less the intentions of that body than the crisis in development spending. Since the Bank derived its main income from a large group of borrowers, it had been better able than other agencies to sustain the decline in development assistance.

In order to maintain a clear dialogue with its borrowers the World Bank did not involve other agencies in co-authorship of conditionality and related policies. However, it had recognized that the process of economic transition could not be left to market forces alone and that social costs must be foreseen and met. Moreover, in the conditions laid down in debt relief plans, the Bank made a number of provisions to ensure that recipients protected and enhanced social lending.

Mr. FERRAN (International Monetary Fund) said that IMF had invited United Nations representatives to attend some of its most important policy-making meetings, with a view to improving both coordination and the response of policy makers to evolving development situations. It hoped to build on that arrangement in the future.

The meeting rose at 1.10 p.m.

UNITED NATIONS

Economic and Social Council

PROVISIONAL

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ORIGINAL: ENGLISH

Substantive session of 1996

PROVISIONAL SUMMARY RECORD OF THE 17th MEETING

Held at Headquarters, New York,
on Friday, 28 June 1996, at 3 p.m.

President: Mr. KOVANDA (Czech Republic)
(Vice-President)

later: Mr. GERVAIS (Côte d'Ivoire)
(President)

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STATEMENT BY THE PRESIDENT

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair

The meeting was called to order at 3.15 p.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION (continued)

(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED NATIONS DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL (continued) (E/1996/72 and Corr.1)

Mr. SHAH (India) said that so far much of the cooperation between the Bretton Woods institutions and the United Nations system had been ad hoc; the recommendation in paragraph 46 of the note by the Secretariat (E/1996/72) for greater thematic and programmatic collaboration needed to be pursued. The different structural features of the institutions concerned and their distinct policy preferences and priorities, as well as the increasingly difficult climate for international development cooperation, provided the rationale for the need to strengthen collaboration. From the point of view of a recipient country, it was difficult when two different institutions suggested conflicting policy prescriptions, particularly as developing countries had little or no voice in the decision-making processes of the Bretton Woods institutions. That problem would need to be addressed when the next quota review came up.

Strengthened collaboration could provide only a partial solution. There was no substitute for increasing the level of resources and the concessionality in funding. It was particularly distressing that the level of official development assistance (ODA) continued to decline in overall terms, and the eleventh replenishment of the International Development Association was expected to be significantly reduced, despite the major commitments made by donor countries at the World Summit for Social Development.

It must be recognized that the approaches of the International Monetary Fund (IMF) and the World Bank were somewhat different from the more integrated and political approach that the United Nations must inevitably take. The

specific role of the United Nations as a democratic and universal body that could actively distance itself from the treasury view of development should not be lost sight of. The United Nations development system should also avoid recourse to the conditionalities which had adversely affected the image of the Bretton Woods institutions. The United Nations must continue to be seen as a collaborative and supportive partner in development.

The United Nations could serve as a forum for preparing broad policy guidelines and approaches before they were finally negotiated in the relevant trade, monetary or financial institutions and for making a critical assessment of the social and economic impact of the policies and development norms emerging in the Bretton Woods institutions.

Collaboration did not mean convergence of policies. The essence of democracy was to allow different ideas and approaches to flourish. Even while there should be collaboration in terms of data and statistical analysis, ample room should be provided for divergent approaches. Otherwise, there would be cyclical swings from one set of policy recommendations to the next.

The strengthening of collaboration with the Bretton Woods institutions was not a new idea; recommendations to that effect had been made at all the major United Nations conferences held since 1992, and specific measures for collaboration had been incorporated in the original agreement signed between the United Nations and the Bretton Woods institutions. What was needed was a more sincere attempt at implementation of those provisions through, inter alia, the inclusion of agenda items and the participation of representatives in each other's meetings. The process could then be taken further through innovative ideas to encourage increased interaction and cooperation. If strengthened collaboration was to become a reality, the major donors and the Bretton Woods institutions must exercise the necessary leadership.

Mr. TANAKA (Japan) said that his Government attached great importance to further collaboration between the United Nations system and the Bretton Woods institutions and therefore welcomed the commitment of the President of the World Bank to a more catalytic role by the Bank through strengthened partnership with all the actors in development. His delegation had also been glad to hear from the Administrator of the United Nations Development Programme (UNDP) that there was a spirit of coordination in terms of an effective division of labour and a commitment to work towards common objectives. Within such coordination, there

could be some duplication. Functions, resources and organs which overlapped could form a kind of reserve, to avoid delays in implementation.

His delegation attached particular importance to paragraphs 28 and 44 of the note by the Secretariat (E/1996/72). The programme approach was very useful since United Nations and World Bank resources, along with bilateral assistance, could be used in a complementary way in the context of a country's national development plan. The approach should be further pursued.

His Government supported the United Nations System-wide Special Initiative on Africa and urged the United Nations development system and the Bretton Woods institutions to coordinate fully with each other. In 1998 Japan would co-host the second international conference on African development; it hoped that the United Nations development system and the Bretton Woods institutions would take advantage of the opportunity to formulate specific projects and increase their coordination.

Mr. INSANALLY (Guyana) said that the strengthening of collaboration between the United Nations development system and the Bretton Woods institutions was of vital importance, particularly since the recent series of major United Nations conferences had produced mandates which required effective international cooperation for their implementation. His delegation supported the statement made by the representative of Costa Rica on behalf of the Group of 77 and China.

The note by the Secretariat (E/1996/72) highlighted the potential for collaboration at the country, headquarters and intergovernmental levels; that potential should be fully exploited. His delegation urged the Council to set a time-limit within which an exploratory review should be prepared by the United Nations and the Bretton Woods institutions, in accordance with General Assembly resolution 50/227, annex I, paragraph 86. It was to be hoped that the outcome would be a more effective pooling of resources.

At the field level, Guyana saw great value in engaging all development partners in a regular policy dialogue in order to ensure that programmes were fully integrated and compatible with national plans and strategies. That coordination process must be government-led if it was to be successful. At the headquarters level, it was imperative that the entire United Nations system should act as one in its responsiveness to the development needs of Member States. It must be fully cognizant of the priorities determined in the intergovernmental processes at the international level. Policies and activities

of the system must be coordinated to ensure maximum impact at the domestic level. In that respect, the inter-agency task forces should make an important contribution. Care must be exercised, however, to ensure that efforts were not duplicated.

From an intergovernmental point of view there was a need to strengthen the Council in its coordination of United Nations system activities in the economic and social and related fields and to enhance its interaction with the Bretton Woods institutions. At the World Hearings on Development in 1994, the view had been widely shared that the Bretton Woods institutions had strayed from their original mandates and consequently needed to reorient their functions to be more effective and more responsive to Member States.

There should be one integral system, and the Bretton Woods institutions should be guided by General Assembly resolutions as provided for in the Charter. The Secretary-General should participate in the joint meetings of the World Bank and IMF; in turn, the Bretton Woods institutions should submit their annual reports to the Council and state how they were implementing General Assembly resolutions.

Mr. BAILLARGEON (Canada) said that the United Nations system and the Bretton Woods institutions had supported government efforts to address some of the challenges of globalization. It was clear that an effective response required a meaningful institutional collaborative effort. There was still much scope for strengthening the relationship between the United Nations and the Bretton Woods institutions. An effective partnership should be based on three functions: cooperation in policy formulation, coordination, and technical cooperation.

Future cooperation on policy issues should go beyond structural adjustment to focus more consistently on other key development challenges at the sectoral, country, regional and global levels. There must be regular channels of communication between the two systems, at both the headquarters and country levels.

All but a few of the challenges faced by the United Nations system were exclusively sectoral in nature and therefore were beyond the capacity of any one part of the system to respond to on its own. Coordination should involve other multilateral institutions, regional banks and bilateral donors, particularly to

ensure integrated follow-up to global conferences and summits. His delegation welcomed the establishment of the three ad hoc inter-agency task forces.

At the country level, the key to enhanced coordination was in the links existing between the country strategy note and the country assistance strategy. The World Bank and IMF should participate, where appropriate, in the preparation of country strategy notes. At the request of local governments, the United Nations system should engage in tripartite policy and programming consultations with the Bretton Woods institutions and relevant local government authorities. That effort could lead to the design of balanced policy packages and the identification of joint programming initiatives to be implemented by the United Nations system. Another area of opportunity for system-wide coordination was post-conflict situations and peace-building, where the comparative advantage of the United Nations system could be strengthened by the early involvement of the Bretton Woods institutions. The mechanisms for coordination were largely in place and they should be used to enhance the possibility of a smooth transition from conflict to development.

At the system-wide level there were considerable opportunities for coordination and collaboration. A joint database could facilitate the development of common indicators to monitor and measure performance and the preparation of joint sectoral studies to support future programming. The potential existed for collaboration in joint evaluations in sectors or themes of particular interest to both systems and for the rationalization of data-collection and analysis in certain areas. That would require a clear division of responsibilities between the two systems.

Since the United Nations system did not have the resources needed to undertake extensive joint financing with the World Bank, block technical assistance funding could prove extremely useful to enhance technical cooperation between the two systems. Technical cooperation should focus on building capacity at the country level and, when requested by Governments, on the planning and implementation of relevant components of structural adjustment programmes in which the United Nations system had a comparative advantage. For example, country projects or programme initiatives of the Bretton Woods institutions which required an intimate knowledge of local conditions in a particular country could benefit from the country knowledge, expertise, delivery mechanisms and institutional access of the United Nations system.

The potential for enhanced collaboration between the two systems was considerable; if developed properly, it could support their respective mandates and ultimately facilitate the effective transfer and utilization of development assistance resources to developing countries. That in turn could facilitate the completion of the institutional chapter of the Agenda for Development.

Mr. LIAN (Observer for Norway) said that, since the United Nations development system was faced with increasing demands and dwindling resources, it was urgent that all multilateral development partners should cooperate in order to maximize total development efforts. If cooperation between the United Nations development system and the Bretton Woods institutions was to be effective, the relationship must be complementary and mutually beneficial; activities should not overlap, and due regard had to be paid to their respective mandates. Increased cooperation should not lead to new conditionalities that made United Nations operational activities subject to the same sort of policies as were applied to loans.

The issue of cooperation was complicated by the somewhat unclear division of labour between the United Nations and the Bretton Woods institutions, for example in the field of technical assistance. The comparative advantages of each institution must be utilized; the role of the Bank should be to support its own loan activities and impart its special expertise to developing countries, while the technical assistance provided by the United Nations development system should be strengthened in order to better support national development plans.

At the same time, it was clear that policy and project-related dialogue between each institution and the individual developing countries would benefit from inputs from other institutions.

His delegation strongly supported the United Nations System-wide Special Initiative on Africa; however, the initiative raised important questions related to the availability of resources and to how well the initiative was rooted in African countries. Practical cooperation should also be enhanced in the follow-up of global conferences and in post-conflict peace-building. Far too often, too much attention was given to coordination at headquarters level and too little coordination at the country level where the practical work was carried out. Norway believed that there was considerable scope for increased efficiency and effectiveness at the country level.

His delegation attached great importance to the early exploratory review provided for in General Assembly resolution 50/227; consideration should be given to holding separate meetings, including meetings organized around specific themes, and periodic high-level special meetings in conjunction with the semi-annual meetings of the Bretton Woods institutions. The Bretton Woods institutions should furnish their reports to the Council and the General Assembly to facilitate the discussions.

Mrs. FERRERO-WALDNER (Observer for Austria) said that recent major United Nations conferences had formulated a set of global priorities which could guide the world into a phase of intensified globalization. The experience of four decades of development cooperation had shown that people must be at the centre of all development efforts; that the development process must be country-driven, and the recipients must be the partners responsible for the coordination of all development assistance; that development cooperation had to respect local ownership of the development process; that development cooperation needed a comprehensive and continuous approach, drawing on the energies, resources and commitments of institutions and individuals at all levels; and that development cooperation must aim at reaching the mutually agreed targets set by recent United Nations conferences with the active participation of developing countries. Those global priorities must be operationalized immediately; and in that respect her delegation welcomed the new structure set up between the United Nations and the Bretton Woods institutions to improve communications and coordination. Global priorities would have to be linked with global economic integration.

She called upon UNDP to provide the development policy framework for activities carried out by specialized agencies, while at the same time accepting their leadership in, for example drug control and industrial development. While UNDP had weaknesses in programme design and delivery and had been affected by the general shift of resources and support to the Bretton Woods institutions, it retained comparative advantages in its field structure, national experts and resident coordinator system.

Enhanced technical cooperation in the field, along with intergovernmental coordination and cooperation, should be accompanied by an operational policy dialogue among all partners. While industrial countries had achieved efficient regulatory systems within their national economies, regulatory systems remained

rudimentary at the international level. It was therefore all the more important to confront issues of global economic governance.

As official development assistance declined in the face of rising need, the United Nations system and Bretton Woods institutions would have to consider new financing mechanisms, such as a currency transaction levy, to fund their global priorities. Austria proposed that the Council should provide a forum for discussion of innovative approaches to financing.

Mr. POWELL (World Food Programme (WFP)) said that, in the context of humanitarian crises, the World Bank in particular could become more involved in facilitating delivery of services at an earlier stage in emergency operations and in helping to lay the groundwork for a return to development by facilitating the transition from the emergency phase.

The Bank could fund improvements in basic physical and institutional infrastructure that were needed for both the relief effort and reconstruction. Such timely investments in emergency operations had the potential of offering higher rates of return for the recipient-country economy than could more conventional loans at a later date.

Earlier involvement in the emergency effort could also enable the Bank to minimize the risk of a hiatus between the start of the return to normalcy and the implementation of the recovery programme. Ways should be found for development initiatives launched in the emergency phase to continue uninterrupted into full-scale rehabilitation and development, and also to expand the repertory of naturally complementary functions shared by the World Food Programme and the World Bank, such as the immediate response of food aid and the longer-term reconstruction capacity of Bank funding. The resulting familiarity with each other's work would contribute to more efficient partnerships in emergencies. While each institution had its own concept of risk, each also needed to respond to the new generation of problems with innovation and flexibility.

Mr. KHAWAJA (Pakistan) supported the views of the Group of 77 on collaboration between the United Nations system and the Bretton Woods institutions contained in the Secretary-General's report and said that the basis, scope and level of such collaboration needed to be identified in order to identify ways to strengthen it.

The needs-based and country-driven approach of the United Nations system differed markedly from the conditional approach of the Bretton Woods institutions. The two had to be reconciled in order to effect greater coherence in international development activities without sacrificing the advantages of the United Nations approach. Moreover, while collaboration was increasing between the two systems in the areas of social development, the environment and poverty elimination, there was still a need to build channels for macro-economic policy coordination that would enhance the United Nations decision-making process. Collaboration should occur at the intergovernmental, secretariat and field levels, with efforts at the intergovernmental level to adopt common development approaches and strategies. There should also be a sustained dialogue between the secretariats of the Bretton Woods institutions and the United Nations development system, accompanied by strengthened collaboration and connectivity at the country level. The development plans of both systems should dovetail in the overall development strategies of the Governments concerned, which should take precedence.

Mr. WILMOT (Ghana) fully associated his delegation with the views expressed by the representative of Costa Rica on behalf of the Group of 77 and China. He urged that the ad hoc and selective approach to collaboration between the two systems described in the Secretariat's note (E/1996/72) should give way to a "more structured provision of support, at the request of Governments, based on mutual comparative advantages", (ibid., para. 46), especially at the programme and project level in countries.

Specific areas in which greater coordination was needed included the effective integration of United Nations development programmes, including those of the Bretton Woods institutions, with national plans and strategies; the effective and systematic participation of the Bretton Woods institutions in the United Nations resident coordinator system; the evolution of a country-level mechanism for coordinated integration of all external resources; and electronic linkage of all United Nations system and Bretton Woods institutions' field offices at the country level. The specific suggestions of the executive heads of the United Nations system, enumerated in the Secretariat's note, should also be implemented at an early date. However, he urged that the conditionalities and restrictive policies normally attached to the granting of loans should not be introduced in the development programmes of the United Nations system.

Mr. VILCHEZ ASHER (Nicaragua) said that his delegation fully supported the statement of the representative of Costa Rica on behalf of the Group of 77 and China. It reiterated the need to strengthen cooperation and coordination between the United Nations system and the Bretton Woods institutions by going beyond the comparative advantages of each and avoiding an exclusively operational focus. More systematic consultation was required between the two systems, especially in the area of social programmes. Structural adjustment programmes should also include social development goals, such as eradicating poverty, promoting full employment and integrating societies more effectively.

He called for the United Nations system and the Bretton Woods institutions to share a single development agenda and strategy for implementing it. In that context, he stressed: the importance of strengthening the programme approach at the country level and the participation of the Bretton Woods institutions in the resident coordinator system; the need for greater institutional participation in the policy dialogue in each country; the importance of cooperation in post-war or emergency situations; the possibility of extending to other spheres the results obtained in the Consultative Group on International Agricultural Research (CGIAR); the need to improve follow-up in the case of recent world conferences; the disability of joint meetings at five-year intervals of the Economic and Social Council and the Bank/Fund Development Committee; the need for meetings of the executive heads of the agencies and bodies of the United Nations system, to precede the meetings of the Bank/Fund Development Committee and the joint meetings of that Committee with the Council; and the importance of joint projects at the country level.

Mr. ANDO (United Nations Population Fund (UNFPA)) said that the relationship between the United Nations system and the Bretton Woods institutions at the country level was characterized by differences in the intensity of contacts and joint activities from one country and region to another, and he called for measures to institutionalize the process of consultation, collaboration and coordination at that level. The coordination process would also be facilitated by the production of joint country-needs assessments by the United Nations system and the Bretton Woods institutions and by a more efficient division of labour among the development partners.

Under the leadership of the United Nations Development Programme, UNFPA was participating in efforts to bring the two systems closer together. It was also

broadening its workin
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reduce duplication of

Mr. RUNGE

cooperation should be
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Mrs. OGATA

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Experience had s
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to local populations
emergency relief oper
operations. The plan
development and recon

ng relationships with the World Bank in particular, at both
country levels, and was working closely with the Bank to
f effort and harmonize assistance strategies.

(Germany) said that his Government shared the view that
e improved primarily at the country level provided that
institutional and personnel commitment at the headquarters
come the introduction of joint meetings on specific themes,
perts, pooling of resources to save administrative costs,
of joint programmes. Improved collaboration between the
opment system and the Bretton Woods institutions, as in the
ide Special Initiative on Africa, would only succeed if the
re committed to setting new priorities and reallocating
teral experience of Germany had shown that often the real
increase the absorptive capacity of developing countries.
hat every country had the right and the responsibility to
ipate in the design of policies and institutional
the relevant governing bodies in order that the
tems should better serve development interests.

(United Nations High Commissioner for Refugees (UNHCR))
ing support for a system-wide sectoral approach to
osed in the System-wide Special Initiative on Africa, and
d to the possible adverse effects of structural reform
stability. Since forcible displacement of populations
the failure of development, the return of refugees and
persons was vital for community reconciliation, which in
or reconstruction and development. At the same time,
e lack of it, directly affected chances for and the pace of

shown that the transition from relief to rehabilitation was
ess. In conflict situations, humanitarian agencies were
tional actors available to provide protection and assistance
and fleeing civilians. Following a peace settlement,
rations had to switch immediately to solution-focused
nning, programme and funding cycles which characterized
nstruction programmes, however, were not geared to the kind

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of rapid progress which returning refugee and local communities required. In order to overcome the gap between relief and rehabilitation, UNHCR had developed quick-impact projects designed to bring visible and immediate benefits to returning refugees and the areas receiving them and to serve as meaningful engines for development.

UNHCR was strengthening its cooperation with the development agencies and the Bretton Woods institutions in order to fill the gaps not covered by its mandate and capacity. Stressing the need for a new approach to post-conflict rehabilitation which dynamically linked relief to development, she said that the international tools needed to be adjusted to the new realities of war-torn societies. The objective should be to fill the gaps but avoid overlaps, taking into account the differing expertise required for emergency response, rehabilitation and development. Partnerships should be strengthened with regional institutions as well as at the international level. Advantage should be taken of the commitment, speed and flexibility of non-governmental agencies. Funds from humanitarian and development sources should be channelled for use by both humanitarian and development agencies in the process of rehabilitation. Finally, regional or subregional perspectives should be adopted, taking into account the impact of crises on neighbouring countries and their contribution to restoring social, political and economic stability.

Mr. KIMBERG (Observer for Denmark) said that the division of labour was a major concern when considering country-level cooperation between the United Nations and the Bretton Woods institutions. In recent years, the World Bank had taken over a number of development activities formerly carried out by United Nations funds and programmes. That had occurred in part because the Bank had vast financial resources and analytical capacity and in part because many United Nations system agencies lacked strong management and had failed to build up and maintain the necessary in-house technical expertise. A second concern in the area of country-level cooperation was the lack of coordination between the United Nations system and the Bretton Woods institutions. As a result, overlaps and fragmented project activities were common. Considerable amounts of time and money were wasted while organizations fought each other to obtain high-profile projects. In order to address that situation, United Nations organizations should concentrate their activities in a limited number of well-defined areas, in which they should gradually build up their capacity. In order to avoid

overlapping and rivalry between the United Nations organizations and the Bretton Woods institutions, an inter-organizational dialogue should be established.

Both the recipient countries and the donors counted on the international organizations for the provision of high-quality development and assistance. System-wide cooperation was required to achieve the maximum effect at the country level. In future evaluations of the World Bank and United Nations organizations, his Government would increase its emphasis on the country-level participation in multi-donor cooperation and would consider structuring its contributions according to the quality of that participation.

Mrs. McNISH (Jamaica) welcomed the more people-centred orientation of the macroeconomic policies of the Bretton Woods institutions. It was now widely acknowledged that good economic growth was growth that promoted human development in all its dimensions. As a result of trade liberalization, which had exposed many developing countries to fierce competition, and the steady decrease of official development assistance, the future of many developing countries was uncertain.

Over the years, Jamaica had benefited both from the flexibility of the United Nations system and the strict requirements of the Bretton Woods institutions. The World Bank and the United Nations Development Programme had been involved in her Government's poverty-eradication programme.

Turning to the question of collaboration at the country level, she emphasized that national leadership and ownership should remain guiding principles and that country-level cooperation should continue to be provided at the request of the client or recipient country. Her Government endorsed the critical role of the resident-coordinator system as a catalyst and facilitator in development-oriented activities and saw it as an opportunity for the United Nations to integrate development assistance in a coordinated manner under the policy direction of the countries themselves. With regard to enhanced future cooperation between the Bretton Woods institutions and the United Nations system, her delegation endorsed the proposal to hold joint meetings of the Council and the Bank/Fund Development Committee, as well as joint meetings of the heads of IMF, the World Bank, the International Labour Organization, United Nations funds and programmes and other agencies prior to Bank/Fund Development Committee sessions.

Ms. HAGEN (International Labour Organization (ILO)) said that it was the responsibility of the Economic and Social Council to promote development and trade policies that allowed every country to enjoy the benefits of the economic growth expected from globalization and to ensure that globalization was accompanied by social development and employment creation. Employment was the common ground between the International Labour Organization, the United Nations system and the Bretton Woods institutions. In all countries, unemployment, underemployment and precarious employment had reached proportions that threatened political and economic stability. While the major effort should occur at the national level, international cooperation to support and monitor national efforts in the area of employment was also essential.

In order to attain employment-generating economic growth, sound economic policies had to be accompanied by social policies aimed at improving the functioning of labour markets and workers' skills and providing adequate social protection. An industrial relations system that enabled social conflicts to be equitably resolved in full respect of workers' rights was needed. The International Labour Organization and the Bretton Woods institutions had been partners in promoting social advancement together with economic development. While often effective, that collaboration had at times been marked by tension caused by differing views on social issues, in keeping with the different mandates and objectives of those institutions.

The Administrative Committee on Coordination (ACC) had recognized the lead role of ILO in the field of employment and sustainable livelihood, and in the relevant ACC task force. ILO had enjoyed effective collaboration with many agencies. The President of the World Bank had recently visited ILO and discussed ways to enhance collaboration between the two organizations in the fields of technical cooperation, employment promotion and enterprise development.

ILO supported initiatives to intensify dialogue and collaboration, including the specific suggestions listed in paragraph 12 of the note by the Secretariat (E/1996/72). She noted that past efforts of ILO to be recognized as an official observer at sessions of the Bank/Fund Development Committee had not been successful. It was to be hoped that the current deliberations would lead to dialogue on a more regular basis.

Mr. LOZANO (Observer for Mexico) said that his delegation disagreed with those countries which believed that the discussion of development and international cooperation in the United Nations, particularly in the Economic and Social Council, should be limited to technical assistance activities. History had proved that the United Nations had the capacity and competence to discuss substantive matters and policies in the economic sphere. His delegation agreed that the cooperation between the United Nations system and the Bretton Woods institutions, particularly at the field level, should be expanded and strengthened.

In keeping with General Assembly resolution 50/120, the report under consideration (E/1996/72) should also have included information on areas of cooperation in addition to that relating to plans and programmes. While it was true that coordination between the United Nations and the Bretton Woods institutions had improved, there still was room for further improvement. The task would not be easy, given the reluctance of some industrialized countries to have the United Nations take up matters relating to the work of the International Monetary Fund and the World Bank.

The new realities of the international situation called for greater complementarity and consistency in the activities and approaches of the various international forums. An integrated response to old and new challenges was required. The executive heads of the international financial institutions should provide the General Assembly with a report on the principal conclusions and recommendations arising out of the activities of those institutions. A debate on that report, either in the plenary Assembly or the Second Committee, would significantly enrich the proceedings of the General Assembly. Similarly, the President of the General Assembly or the Chairman of the Second Committee could submit a report of the Assembly to the financial institutions explaining the content and scope of its resolutions which were related to their spheres of activity.

His delegation noted with interest some of the proposals by the executive heads relating to the strengthening of cooperation with the Bretton Woods institutions. Those proposals, together with the provisions of General Assembly resolutions 50/91 and 50/227, demonstrated that cooperation between the United Nations system and the Bretton Woods institutions in areas other than cooperation in the field could be enhanced.

Mr. ABDELLATIF (Egypt) said that the note by the Secretariat (E/1996/72) clearly sets out important considerations regarding means for enhanced collaboration between the United Nations development system and the Bretton Woods institutions. He underscored the importance of implementing General Assembly resolution 50/227, with a view to carrying out the recommended exploratory review to be prepared jointly by the United Nations and the Bretton Woods institutions with a view to identifying areas in which communication, cooperation and coordination could be improved.

The key factors which had led to an increase in the areas of cooperation between those entities were an enhanced understanding of the general guidelines which should underlie development strategies and a near-convergence of views on how those strategies should be implemented. It was essential to reach a clear understanding on the ordering of priorities as well. Increased cooperation between the Bretton Woods institutions and the United Nations development system should not be based solely on the relevant organization's comparative advantage, nor should the role of the United Nations be decreased. His delegation fully agreed with the Secretariat that such cooperation should be sustained and should include all stages from policy formulation to project monitoring and evaluation (E/1996/72, para. 46).

Mr. SYCHOU (Belarus) welcomed the support provided by the multilateral financial institutions for sustainable economic development in the developing countries and in the economies in transition. The globalization of development had appropriately led to increased cooperation between the Bretton Woods institutions, the United Nations development system and various ad hoc bodies, in the context of the follow-up to recent major global conferences and in the sphere of technical cooperation. He underscored the need for great coordination and complementarity between the United Nations and the multilateral financial institutions, in particular as they implemented their individual programmes and projects. That would further enhance the efficiency of the United Nations operational activities for development, since the decisions taken by multilateral financial institutions exerted considerable influence on the economic and monetary policies of Member States.

His delegation agreed with the Secretariat that such cooperation should be sustained and should include all stages, from policy formulation to project monitoring and evaluation (E/1996/72, para. 46). A more extensive network of

experienced United Nations representatives in the field could provide valuable assistance to the international financial institutions in planning and implementing their programmes. Such cooperation should not result in increased restrictions on loans. In conclusion, he said that high-level meetings such as the one currently in progress should be held on a regular basis in order further to enhance cooperation among development organizations.

Mr. MOODY (International Fund for Agricultural Development (IFAD)) said that he was speaking in his capacity as the Chairman of the Joint Consultative Group on Policy (JCGP), comprising representatives of the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and IFAD. JCGP had taken significant steps to address the operational issues dealt with in General Assembly resolutions 47/199 and 50/120. Considerable progress had been made during the past year by JCGP member organizations in increasing their harmonization of policies and operational activities at both the headquarters and field levels. Work was under way on a common approach to a policy for using key data for the preparation of the JCGP common country assessment, and the five member organizations were working to harmonize their programming cycles. As of March 1996, full harmonization had been achieved in 27 countries and, by 1999, harmonization was expected to have been achieved in 115 countries.

Two or more JCGP partner organizations now shared common premises in 52 countries and some other United Nations organizations also shared the facilities. Although sharing of common services had progressed more slowly, various initiatives would be pursued further in the coming year, including guidelines for common standards in information and computer technology, joint management of surpluses by UNDP and UNFPA in Eritrea and common management of services by all JCGP organizations in South Africa. Work was also in progress to harmonize efforts with respect to personnel and training.

He described the work of JCGP to ensure that gender issues and indicators were properly incorporated in national planning. Other accomplishments of JCGP during the past year included: the establishment of a working group to address the harmonization of common indicators from monitoring and evaluation of programmes; agreement on a common approach to payments to local staff; progress

on the country strategy note and advancement of work to define a common measurement system of accountability for development assistance.

Each year, JCGP chose a thematic approach to its work, thereby allowing closer collaboration among its member organizations. In 1995, under the theme of nutrition and food security, IFAD and UNICEF had intensified dialogue on ways to co-finance field operations in order to complement their respective activities in household food security and nutrition among very poor people. They had also developed a joint position and statement to be submitted to the Director-General of the Food and Agriculture Organization of the United Nations for the World Food Summit. An independent review of the role of JCGP within the changing environment of the United Nations was to begin shortly and was intended to provide an objective assessment of the value, potential impact and constraints of having the member organizations work closely together, as called for in various General Assembly resolutions. It was hoped that the study would answer the important question whether that type of cooperation and coordination could serve as a working model for other United Nations agencies.

Mr. del MAR (Philippines) said that, while there had been remarkable improvements in the economies of some developing countries, their needs and those of the least developed countries continued to grow. At the same time, the overall level of official development assistance (ODA) to developing countries had declined. While his delegation supported the strengthening of collaboration between the United Nations development system and the Bretton Woods institutions, it emphasized that such collaboration should not be used to justify the decrease in resources for ODA and for United Nations funds and programmes. A formal understanding of the nature, extent and areas of that collaboration was needed. In that regard, he wondered whether the Bretton Woods institutions were willing to respond to the respective needs and concerns of the developing countries and whether strengthened cooperation would become official policy on the part of the Bretton Woods institutions.

Finally, his delegation welcomed the modifications made by both the World Bank and the International Monetary Fund in their adjustment programmes aimed at mitigating the negative effects of those programmes and allowing for greater social stability. His delegation hoped to see that trend continue and serve as a solid foundation for a viable and strengthened cooperation between the United Nations system and the Bretton Woods institutions.

Mr. ALOM (Bangladesh) expressed his delegation's sincere appreciation to the World Bank, the International Monetary Fund and UNDP for their approach to the task of collaboration and said that a good start had been made towards the implementation of General Assembly resolution 50/120. The operational activities of the United Nations system were vital to promoting the cause of development worldwide and were a tangible expression of international solidarity. His delegation reaffirmed the validity of the principles and objectives set out in the consensus of 1970 contained in General Assembly resolution 2688 (XXV) and other relevant resolutions of the General Assembly, in particular, its resolution 32/197.

A new international development strategy should be devised, to which end the role of international organizations, in particular the United Nations and the Bretton Woods institutions, should be reinforced to enable them to serve as catalysts for strengthening global partnership. The strategy also should aim to alleviate poverty, inter alia, through meaningful human resources development. The United Nations had a crucial policy-making role in defining such a strategy and promoting the means for its implementation in a focused, streamlined, efficient and sustained manner.

His delegation had consistently maintained that development should be promoted through a comprehensive participatory approach supported by the resources and political will of donor and recipient countries and through country-specific approaches to local requirements. It was essential to improve coordination and cooperation between the Bretton Woods institutions and the United Nations. He further stressed the value of a genuine dialogue between the Economic and Social Council and the Bretton Woods institutions.

It was important to devise new people-centred models of development which enhanced human dignity and human life. Local government, civil society, non-governmental organizations and private enterprise should jointly play a leading role in development. Donor countries should establish a specific time-frame for the achievement of the 0.7 per cent ODA target in the coming years. There was a new sense of urgency about the need to settle the external debts of the poorest countries. Efforts to reduce trade protectionism, arms manufacturing and exports to potential trouble spots should be initiated and transparent curbs should be imposed on the flow to foreign banks of money obtained through corruption. His delegation also was in favour of strengthening

regional cooperation, the regional economic commissions and the regional development banks.

Mr. KA (Senegal) emphasized how important it was to strengthen coordination and cooperation among the organizations conducting operational activities for development at a time when resources were shrinking and the need for aid was increasing. An integrated approach also was needed in the context of the follow-up to the recent major world conferences.

His delegation welcomed the establishment of multidisciplinary teams which would be responsible for monitoring international commitments in the fields of the environment, social development, employment and the advancement of women. The World Bank's leadership of the team dealing with environmental issues and its commitment with respect to the System-wide Special Initiative on Africa clearly demonstrated the value of inter-agency collaboration.

His delegation paid a tribute to the tireless efforts of the Administrator of UNDP in support of the work of resident coordinators. The role of resident representatives as coordinators and focal points of operational activities for development should continue to be strengthened, and there should be closer cooperation between resident representatives, the Bretton Woods institutions and government authorities in the elaboration of country strategy notes and in the harmonization of projects and procedures for their implementation, in strict compliance with national objectives and priorities.

The Economic and Social Council had a crucial role to play in defining coherent objectives and principles to guide the operational activities of the United Nations system. His delegation welcomed the consensus attained in General Assembly resolution 50/227 on the restructuring and revitalization of the United Nations in the economic, social and related fields. The resolution marked significant progress in strengthening cooperation between the United Nations and the Bretton Woods institutions.

His delegation noted with concern the continuing decline in ODA and remained convinced that pledging conferences provided the best framework for States to renew their commitment to operational activities for development.

STATEMENT BY THE PRESIDENT

The PRESIDENT, summing up the high-level policy dialogue, said that the discussion had focused on trends in the world economy, the issue of

globalization, financial and trade questions, debt, and cooperation and coordination within the United Nations system.

World economic growth was encouraging although many countries continued to have an economic performance below their potential. Developing countries, as a group, were making a major contribution to the growth of the world economy. Their growth, which in many cases seemed to be independent of the stimulation of the developed economies, was expected to continue to outpace that of the industrialized countries. Growth, however, remained uneven, with a small number of developing countries growing rapidly, a larger number showing improved performance, and the least developed and African countries lagging behind. Many countries with economies in transition were moving towards a high-growth path.

Developing countries had made substantial efforts, in many cases unilateral, with respect to trade liberalization. Those efforts must be further intensified in all countries. Development efforts at the regional level were also important. Intensifying regional cooperation should not be pursued as an alternative to global liberalization but should be complementary to a multilateral and open trading system in accordance with World Trade Organization (WTO) rules. At the same time, the importance of an external economic environment determined primarily by the economic and trade policies in developed countries and of international economic cooperation for continued economic and social progress in all countries must be underscored. It had been suggested that the major industrialized countries should coordinate policies of economic expansion to increase demand and combat unemployment. The acute problems of the increasing number of least developed countries required decisive international action and assistance if they were to be overcome.

The problem of declining official development assistance, often under the tenuous rationale of fiscal constraint, had to be addressed urgently. Adequate financial resources were required to enable international financial institutions to fulfil their mandate, and the recent disconcerting trends and developments in that area had been noted. Debt relief for the least developed countries was crucial in the fight against poverty. Hope had been expressed that a solution would be found as the World Bank and the International Monetary Fund continued their efforts to bring the external debt, including the multilateral debt of heavily indebted poor countries, to an acceptable level.

The discussion had revealed a growing international consensus on the main elements of sound economic policies. The problem in regard to structural adjustment programmes was how to ensure that they yielded good results. While recent improvements in growth in Africa had suggested that well-designed structural adjustment programmes could restore growth, that did not mean that nothing else was needed. In particular, experience had clearly demonstrated that provision must be made for the expansion of social investment and the alleviation of poverty.

Globalization, in particular global financial integration, provided opportunities while creating challenges. With full knowledge of the risks and returns, it was high time that the issue of the post-globalization agenda was addressed. Adequate, equitable and effective rules of the game were an essential prerequisite for stability and balanced global growth. Efforts were being made to establish a system of financial cooperation capable of preventing the emergence of serious financial crises, thus allowing the developing countries to take advantage of the increase in private capital flows. The avenue for further progress and improvement in that area should be explored. Globalization discussions so far had mainly referred to trade in goods and services and had tended to overlook technology, labour and migration flows. It had been suggested that labour should be made part of the liberalization agenda.

Progress had been made in the cooperation between the United Nations and the Bretton Woods institutions in a number of important economic, social and environmental areas. The System-wide Special Initiative on Africa and the Administrative Committee on Coordination (ACC) inter-agency task forces on the follow-up to conferences provided useful avenues for enhanced cooperation between the Bretton Woods institutions and the rest of the United Nations system. The ongoing reform of multilateral financial institutions and of the United Nations Conference on Trade and Development (UNCTAD) had been touched upon. The mandate given to UNCTAD at Johannesburg had been considered encouraging. Cooperation between the Bretton Woods institutions and the United Nations system could also be developed further in that context.

Many speakers had noted that the high-level policy dialogue of the Council with the heads of multilateral trade and financial institutions had been very useful in facilitating discussion of international economic issues, including those arising from the process of globalization and liberalization. Some

participants had suggested that the dialogue might gain from being more focused on selected themes. Attention had been drawn to the need to ensure that participation in the one-day policy dialogue should continue to be at the executive-head level, as in previous years. The President of the Council had been encouraged to pursue that question with the bodies concerned.

Turning to the high-level segment on international cooperation against the illicit production, sale, demand, traffic and distribution of narcotics and psychotropic substances and related activities, he noted that the problem of drug abuse and illicit traffic was now fully recognized as being global. Consequently, the traditional distinction between consumer, producer and transit countries was disappearing. The struggle against drug abuse and trafficking was an international priority and a shared responsibility. Therefore, a strong political will on the part of the international community as well as international cooperation were essential for it to succeed. Developing countries required assistance to deal with the drug problem. In that connection, reference had been made to the importance of alternative development programmes which should encompass measures in a range of areas and involve the participation and commitment of the people concerned. Illicit traffic in and abuse of drugs had deep social repercussions, including their impact on youth, the HIV/AIDS pandemic, and effects in terms of corruption. The relationship between drugs, crime, organized crime and arms trafficking had been emphasized by a number of speakers. The economic costs and effect of that scourge were devastating.

The three major international drug control treaties, the International Narcotics Control Board (INCB), which ensured their implementation, the Global Programme of Action, the System-wide Action Plan and the United Nations Drug Control Programme (UNDCP) provided a solid framework for government action and international cooperation to combat illicit drug abuse and trafficking. What mattered now was universal adherence to the drug control treaties, and the implementation of their provisions by all countries, at the national and international levels. In particular, the 1988 Convention, and the measures it contained for international cooperation, had to be urgently implemented. National and international drug control strategies had to be dynamic so as to respond to the evolving drug situation. New trends in drug abuse and trafficking had been highlighted, and a major concern appeared to be growing

abuse of drugs with stimulant properties, particularly among young people, in many countries. There was agreement on the importance of an integrated, multifaceted, multisectoral, comprehensive and balanced strategy, encompassing supply and demand reduction. More weight had to be given to demand reduction. The efforts of the Commission on Narcotic Drugs to draft a declaration on demand reduction had been endorsed, and it had been stressed that the biggest priority in tackling the social aspects of the drug problem was to prevent abuse by young people.

The struggle against money-laundering was an integral part of the struggle against drugs. All countries should adopt effective countermeasures and implement the provisions of the 1988 Convention. A proposal had been made for a new international instrument in that area. Progress was required not only in the matter of precursor control but also with respect to the implementation of the relevant provisions of the 1988 Convention. Policies to address the economic and social factors of drug abuse, including poverty, were crucial to solving the drug problem. The importance of measures to combat organized crime and corruption and of international cooperation in that area had also been stressed. Civil society, including non-governmental organizations and the private sector, had an important role in the fight against drugs. Partnerships should be established between development agencies and drug-control organizations at the national and international levels. In that regard, the struggle against drugs required action that the United Nations was ideally suited to take.

An international mechanism to provide more accurate and coherent information on drugs, monitor activities in that field and ensure the exchange of information was required.

There was strong support for the proposal of the Commission on Narcotic Drugs for a special session of the General Assembly in 1998 to enable Governments to reaffirm their commitments to drug control at the national and international levels. Such a session should agree on measures to strengthen international drug control. Specific proposals had been made on issues that should receive special attention, such as money-laundering, precursor control and abuse of stimulants. The current high-level segment had contributed to the preparation of that special session, and the Council could pursue efforts to that end.

Emphasis had been placed on trends and strategies at the regional and subregional levels, and considerable support had been expressed for UNDCP, the various dimensions of its strategy and its role. There was a broadly shared concern that the resources available to the Programme needed to be commensurate with its functions and its expanded mandate. Many more countries should assume greater responsibility for funding the essential elements of the UNDCP mandate. Many delegations had addressed that issue and made concrete proposals.

System-wide action and cooperation within the United Nations system had also been addressed. The struggle against drugs must be an integrated action of various agencies united in partnership. The System-wide Action Plan was a valuable instrument which needed to be strengthened in line with ACC recommendations. A number of agencies had addressed the demand or the supply side of the drug problem, depending on their mandates and interests. Reference had been made to the role of international financial institutions.

On the question of the legalization of illicit drug use, firm opposition had been expressed.

The meeting rose at 6.30 p.m.